

TORC OIL & GAS LTD.

EAST MANSON UNIT #1

ENHANCED OIL RECOVERY (EOR) ANNUAL REPORT

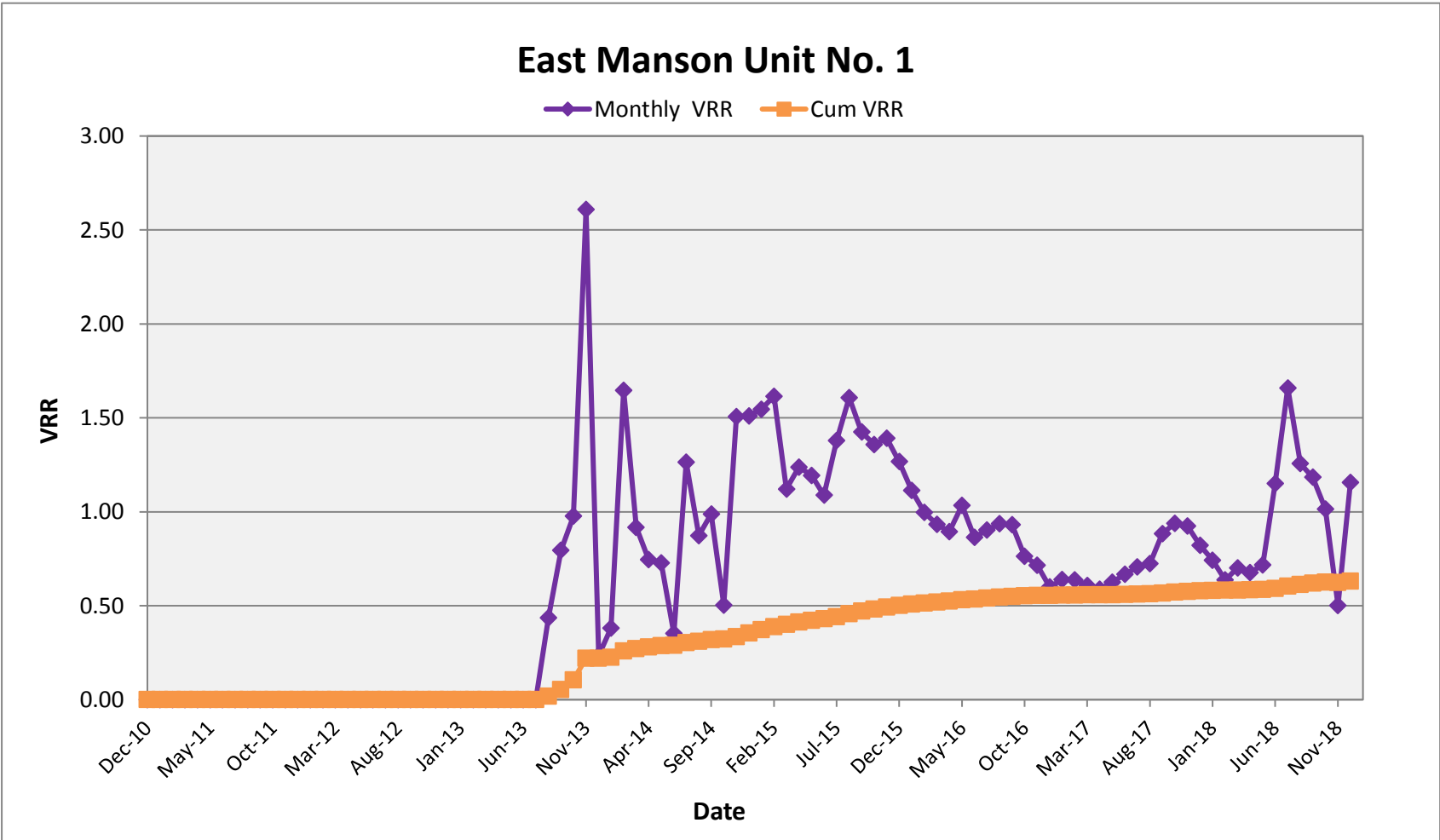
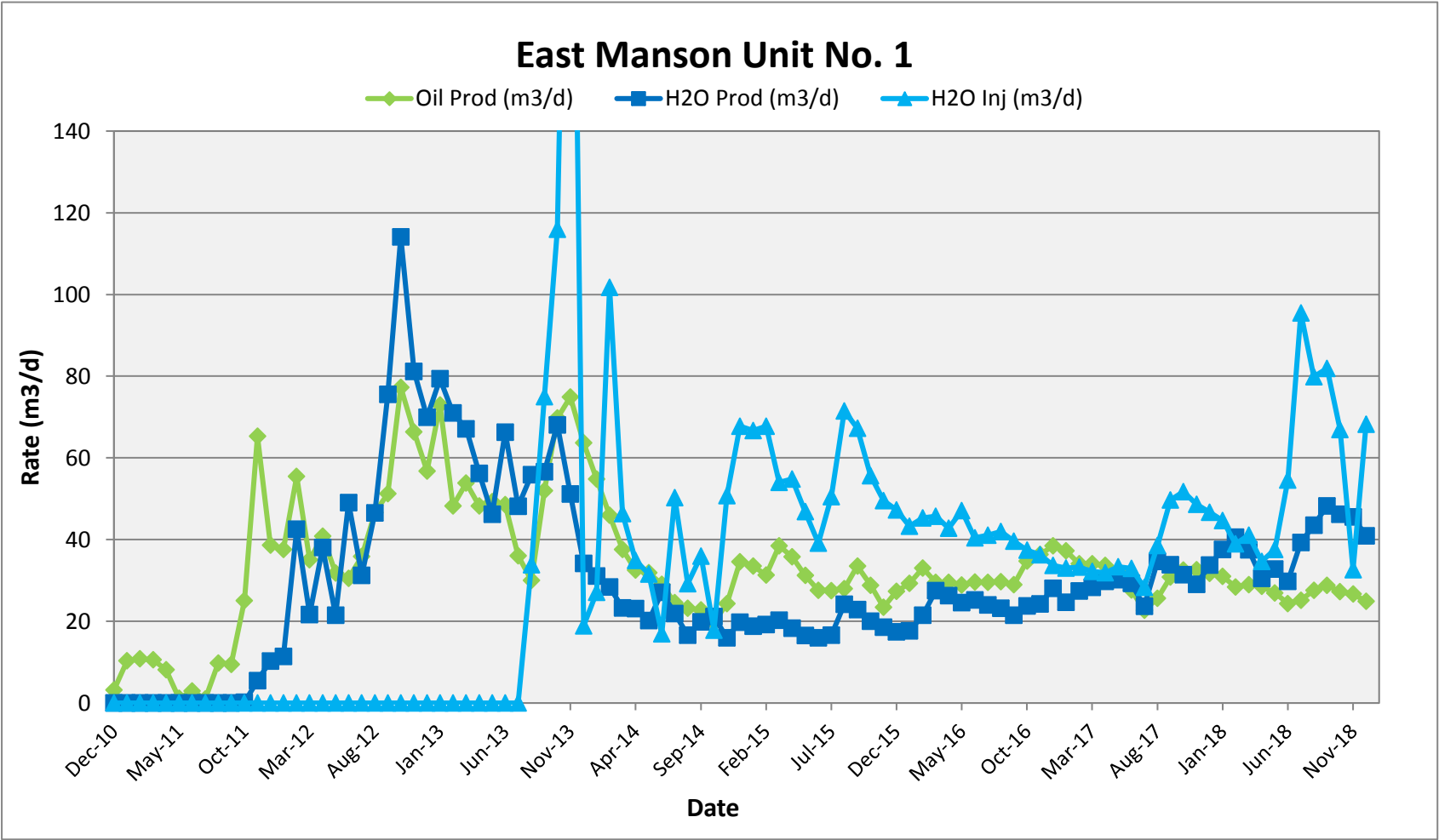
Discussion

East Manson #1 delivered another year of steady flood performance throughout 2018. In its sixth year of operation since inception, this flood continued to show that injection conformance has been effective in arresting production decline and providing sufficient pressure maintenance to the reservoir.

The application of Iron Sulfide reducing chemical treatments to enhance injection volumes was continued where required throughout the year. These chemical applications continued to provide a means by which injection could be enhanced in a cost effective manner. FeS Reducer chemical injection at the north and south ends of our field was setup in 2015, and has been continued through 2018. Reduced chemical circulation frequency on our injection wells suggests that this is proving effective in reducing the amount of released iron in the injection system. Continuous sampling of the water in two production tanks at the battery still show little or no FeS.

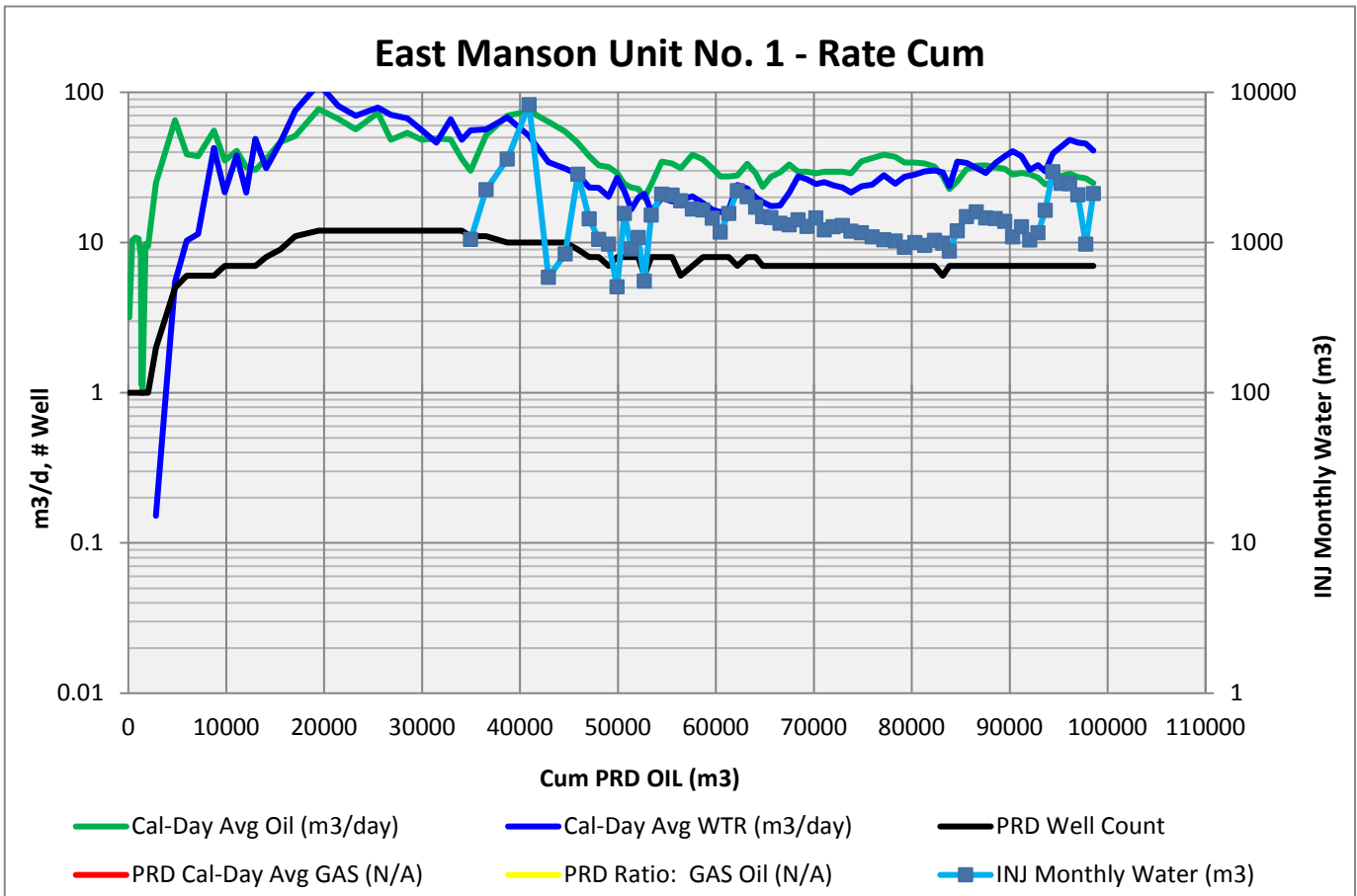
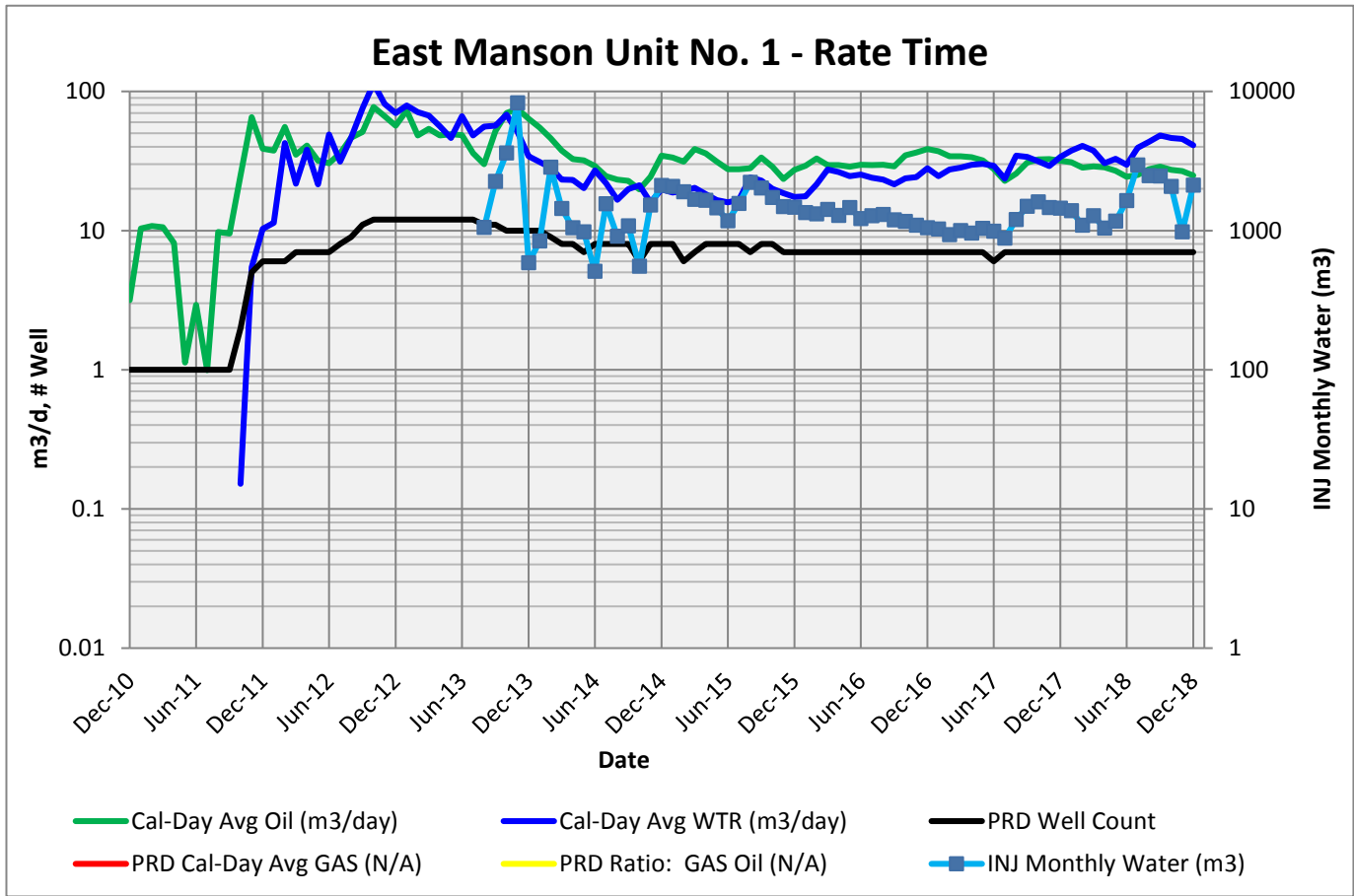
In 2018, TORC executed a project to increase operating pressure of the injection pipeline system. This allowed for increased injectivity to a number of wells within the unit in the latter half of the year. Initial results have not been as successful as anticipated with water cuts increasing. A focus for 2019 will be further waterflood optimization to ensure the water is going where it is needed.

	Date	Oil Prod (m3/d)	Gas Prod (e3m3/d)	H2O Prod (m3/d)	H2O Inj (m3/d)	Monthly VRR	Cum VRR	Cum PRD Oil (m3)	Cum PRD Gas (e3m3)	Cum PRD Water (m3)	Cum INJ Water (m3)
EMU No.1	Dec-2018	25	-	41	68	1.16	0.630	98,541	-	89,198	101,267



East Manson Unit No. 1 (Section 29) - VRR Table																											
Month	Days	Monthly Oil Prod (bbl)	Monthly Oil Prod (m3)	Monthly Gas Prod (E3m3)	Monthly H2O Prod (bbl)	Monthly H2O Prod (m3)	Monthly H2O Inj (bbl)	Monthly H2O Inj (m3)	Oil Prod (m3/d)	Gas Prod (E3m3/d)	H2O Prod (m3/d)	H2O Inj (m3/d)	Cum Oil (bbl)	Cum Oil (m3)	Cum Gas (E3m3)	Cum H2O (m3)	Cum H2O Inj (m3)	Prod Well Count	GOR (m3/m3)	H2OCut %	Voidage (rm3/d)	Monthly VRR	Cum GOR (m3/m3)	H2OCut %	Cum Void (rm3)	Cum VRR	
Dec-10	31	619	98.4	0	0	0.0	0	0	3	0	0	0	619	98	0	0	0	1	0	0.0%	2	0.00	0.0	0.0%	71.8	0.000	
Jan-11	31	2,023	321.4	0	0	0.0	0	0	10	0	0	0	2,641	420	0	0	0	1	0	0.0%	8	0.00	0.0	0.0%	306.4	0.000	
Feb-11	28	1,905	302.7	0	0	0.0	0	0	11	0	0	0	4,545	723	0	0	0	1	0	0.0%	8	0.00	0.0	0.0%	527.4	0.000	
Mar-11	31	2,065	328.1	0	0	0.0	0	0	11	0	0	0	6,608	1051	0	0	0	1	0	0.0%	8	0.00	0.0	0.0%	766.9	0.000	
Apr-11	30	1,536	244.1	0	0	0.0	0	0	8	0	0	0	8,144	1295	0	0	0	1	0	0.0%	6	0.00	0.0	0.0%	945.1	0.000	
May-11	31	220	35.0	0	0	0.0	0	0	1	0	0	0	8,364	1330	0	0	0	1	0	0.0%	1	0.00	0.0	0.0%	970.6	0.000	
Jun-11	30	552	87.7	0	0	0.0	0	0	3	0	0	0	8,915	1417	0	0	0	1	0	0.0%	2	0.00	0.0	0.0%	1034.7	0.000	
Jul-11	31	194	30.8	0	0	0.0	0	0	1	0	0	0	9,109	1448	0	0	0	1	0	0.0%	1	0.00	0.0	0.0%	1057.1	0.000	
Aug-11	31	1,909	303.3	0	0	0.0	0	0	10	0	0	0	11,017	1752	0	0	0	1	0	0.0%	7	0.00	0.0	0.0%	1278.5	0.000	
Sep-11	30	1,793	284.9	0	0	0.0	0	0	9	0	0	0	12,809	2036	0	0	0	1	0	0.0%	7	0.00	0.0	0.0%	1486.5	0.000	
Oct-11	31	4,897	778.2	0	30	4.7	0	0	25	0	0	0	17,704	2815	0	5	0	2	0	0.6%	18	0.00	0.0	0.2%	2059.3	0.000	
Nov-11	30	12,336	1,960.3	0	1,031	163.8	0	0	65	0	5	0	30,034	4775	0	169	0	5	0	7.7%	53	0.00	0.0	3.4%	3654.9	0.000	
Dec-11	31	7,541	1,198.4	0	2,011	319.6	0	0	39	0	10	0	37,572	5973	0	488	0	6	0	21.1%	39	0.00	0.0	7.6%	4850.9	0.000	
Jan-12	31	7,329	1,164.7	0	2,221	353.0	0	0	38	0	11	0	44,898	7138	0	841	0	6	0	23.3%	39	0.00	0.0	10.5%	6055.9	0.000	
Feb-12	29	10,130	1,609.8	0	7,767	1,234.2	0	0	56	0	43	0	55,024	8748	0	2075	0	6	0	43.4%	83	0.00	0.0	19.2%	8471.5	0.000	
Mar-12	31	6,834	1,086.0	0	4,226	671.5	0	0	35	0	22	0	61,855	9834	0	2747	0	7	0	38.2%	47	0.00	0.0	21.8%	9939.2	0.000	
Apr-12	30	7,716	1,226.1	0	7,190	1,142.5	0	0	41	0	38	0	69,567	11060	0	3889	0	7	0	48.2%	68	0.00	0.0	26.0%	11982.5	0.000	
May-12	31	6,202	985.6	0	4,193	666.3	0	0	32	0	21	0	75,766	12046	0	4556	0	7	0	40.3%	45	0.00	0.0	27.4%	13371.7	0.000	
Jun-12	30	5,768	916.6	0	9,256	1,470.8	0	0	31	0	49	0	81,532	12962	0	6026	0	7	0	61.6%	72	0.00	0.0	31.7%	15519.1	0.000	
Jul-12	31	7,000	1,112.3	0	6,091	967.9	0	0	36	0	31	0	88,528	14074	0	6994	0	8	0	46.5%	58	0.00	0.0	33.2%	17303.9	0.000	
Aug-12	31	9,093	1,444.9	0	9,072	1,441.6	0	0	47	0	47	0	97,616	15519	0	8436	0	9	0	49.9%	81	0.00	0.0	35.2%	19807.6	0.000	
Sep-12	30	9,672	1,537.0	0	14,263	2,266.5	0	0	51	0	76	0	107,284	17056	0	10702	0	11	0	59.6%	113	0.00	0.0	38.6%	23207.6	0.000	
Oct-12	31	15,078	2,396.1	0	22,262	3,537.6	0	0	77	0	114	0	122,356	19452	0	14240	0	12	0	59.6%	171	0.00	0.0	42.3%	28512.3	0.000	
Nov-12	30	12,535	1,992.0	0	15,327	2,435.6	0	0	66	0	81	0	134,885	21444	0	16676	0	12	0	55.0%	130	0.00	0.0	43.7%	32414.4	0.000	
Dec-12	31	11,080	1,760.7	0	13,644	2,168.1	0	0.0	57	0	70	0	145,960	23205	0	18844	0	12	0	55.2%	112	0.00	0.0	44.8%	35878.8	0.000	
Jan-13	31	14,232	2,261.6	0	15,479	2,459.7	0	0.0	73	0	79	0	160,186	25467	0	21303	0	12	0	52.1%	133	0.00	0.0	45.5%	40002.0	0.000	
Feb-13	28	8,502	1,351.0	0	12,507	1,987.5	0	0.0	48	0	71	0	168,683	26818	0	23291	0	12	0	59.5%	107	0.00	0.0	46.5%	42985.8	0.000	
Mar-13	31	10,506	1,669.5	0	13,089	2,080.0	0	0.0	54	0	67	0	179,184	28487	0	25371	0	12	0	55.5%	107	0.00	0.0	47.1%	46295.1	0.000	
Apr-13	30	9,104	1,446.7	0	10,616	1,687.0	0	0.0	48	0	56	0	188,284	29934	0	27058	0	12	0	53.8%	92	0.00	0.0	47.5%	49046.8	0.000	
May-13	31	9,618	1,528.4	0	9,011	1,432.0	0	0.0	49	0	46	0	197,898	31462	0	28490	0	12	0	48.4%	82	0.00	0.0	47.5%	51601.8	0.000	
Jun-13	30	9,171	1,457.3	0	12,518	1,989.3	0	0.0	49	0	66	0	207,064	32920	0	30479	0	12	0	57.7%	102	0.00	0.0	48.1%	54665.0	0.000	
Jul-13	31	7,030	1,117.1	0	9,402	1,494.1	0	0.0	36	0	48	0	214,091	34037	0	31973	0	12	0	57.2%	75	0.00	0.0	48.4%	56982.2	0.000	
Aug-13	31	5,854	930.3	0	10,906	1,733.0	4,572	1050.0	30.0	0	56	34	219,942	34967	0	33706	1050	11	0	65.1%	78	0.44	0.0	49.1%	59403.1	0.018	
Sep-13	30	9,809	1,558.8	0	10,687	1,698.2	14,725	2250.0	52.0	0	57	75	229,747	36526	0	35405	3300	11	0	52.1%	95	0.79	0.0	49.2%	62247.8	0.053	
Oct-13	31	13,607	2,162.3	0	13,284	2,111.0	37,182	3596.0	69.8	0	68	116	243,348	38688	0	37516	6896	10	0	49.4%	119	0.98	0.0	49.2%	65948.0	0.105	
Nov-13	30	14,143	2,247.5	0	9,660	1,535.0	45,309	8261.4	74.9	0	51	275	257,485	40936	0	39051	15157	10	0	40.6%	106	2.61	0.0	48.8%	69131.4	0.220	
Dec-13	31	12,428	1,975.0	0	6,672	1,060.2	0	585.8	63.7	0	34	19	269,908	42911	0	40111	15743	10	0	34.9%	81	0.23	0.0	48.3%	71638.7	0.221	
Jan-14	31	10,699	1,700.2	0	6,071	964.7	5,224	839	54.8	0	31	27	280,602	44611	0	41075	16583	10	0	36.2%	71	0.38	0.0	47.9%	73849.5	0.226	
Feb-14	28	8,106	1,288.1	0	4,998	794.2	18,351	2,849	46.0	0	28	102	288,704	45899	0	41870	19431	9	0	38.1%	62	1.65	0.0	47.7%	75588.0	0.258	
Mar-14	31	7,326	1,164.1	0	4,534	720.5	9,509	1,437	37.6	0	23	46	296,026	47063	0	42590	20868	8	0	38.2%	51	0.92	0.0	47.5%	77161.9	0.272	
Apr-14	30	6,147	976.8	0	4,369	694.3	6,465	1,048	32.6	0	23	35	302,170	48040	0	43284	21916	8	0	41.5%	47	0.75	0.0	47.4%	78572.8	0.280	
May-14	31	6,226	989.3	0	3,944	626.7	6,153	978	31.9	0	20	32	308,393	49029	0	43911	22894	7	0	38.8%	44	0.73	0.0	47.2%	79924.9	0.288	
Jun-14	30	5,484	871.5	0	5,109	811.9	3,297	509	29.1	0	27	17	313,875	49901	0	44723	23403	8	0	48.2%	48	0.35	0.0	47.3%	81377.1	0.289	
Jul-14	31	4,793	761.6	0	4,279	680.0	3,611	1,558	24.6	0	22	50	318,665	50662	0	45403	24962	8	0	47.2%	40	1.26	0.0	47.3%	82616.5	0.304	
Aug-14	31	4,530	719.8	0	3,245	515.7	5,705	907	23.2	0	17	29	323,193	51382	0	45919	25868	8	0	41.7%	34	0.87	0.0	47.2%	83660.2	0.311	
Sep-14	30	4,307	684.4	0	3,749	595.8	6,612	1,080	22.8	0	20	36	327,498	52066	0	46515	26948	8	0	46.5%	37	0.99	0.0	47.2%	84758.7	0.320	
Oct-14	31	3,857	612.9	0	4,122	655.0	6,342	554	19.8	0	21	18	331,353	52679	0	47170	27502	6	0	51.7%	36	0.50	0.0	47.2%	85864.4	0.322	
Nov-14	30	4,600	731.0	0	3,017	479.4	9,580	1,523	24.4	0	16	51	335,951	53410	0	47649	29024	8	0	39.6%	34	1.51	0.0	47.1%	86879.9	0.336	
Dec-14	31	6,742	1,071.4	0	3,866	614.3	14,458	2,102	34.6	0	20	68	342,690	54482	0	48263	31126	8	0	36.4%	45	1.51	0.0	47.0%	88279.4	0.354	
Jan-15	31	6,544	1,039.9	0	3,663	582.1	13,008	2,068	33.5	0	19	67	349,231	55522	0	48845	33194	8	0	35.9%	43	1.55	0.0	46.8%	89623.6	0.372	
Feb-15	28	5,516	876.5	0	3,387	538.2	11,936	1,898	31.3	0	19	68	354,744	56398	0	49384	35092	6	0	38.0%	42	1.62	0.0	46.7%	90804.3	0.388	
Mar-15	31	7,504	1,192.4	0	3,957	628.8	10,540	1,676	38.5	0	20	54	362,244	57591	0	50012	36767	7	0	34.5%	48	1.12					

East Manson Unit No. 1 (Section 29) - VRR Table																										
Month	Days	Monthly Oil Prod (bbl)	Monthly Oil Prod (m3)	Monthly Gas Prod (E3m3)	Monthly H2O Prod (bbl)	Monthly H2O Prod (m3)	Monthly H2O Inj (bbl)	Monthly H2O Inj (m3)	Oil Prod (m3/d)	Gas Prod (E3m3/d)	H2O Prod (m3/d)	H2O Inj (m3/d)	Cum Oil (bbl)	Cum Oil (m3)	Cum Gas (E3m3)	Cum H2O (m3)	Cum H2O Inj (m3)	Prod Well Count	GOR (m3/m3)	H2OCut %	Voidage (rm3/d)	Monthly VRR	Cum GOR (m3/m3)	H2OCut %	Cum Void (rm3)	Cum VRR
Mar-16	31	5,760	915.8	0	5,363	852.7	8,916	1,418	29.5	0	28	46	430,314	68412	0	57242	55586	7	0	48.2%	49	0.93	0.0	45.6%	107472.9	0.520
Apr-16	30	5,578	886.8	0	4,966	789.5	8,069	1,283	29.6	0	26	43	435,892	69299	0	58031	56869	7	0	47.1%	48	0.89	0.0	45.6%	108913.7	0.525
May-16	31	5,626	894.5	0	4,791	761.7	9,186	1,460	28.9	0	25	47	441,518	70194	0	58793	58329	7	0	46.0%	46	1.03	0.0	45.6%	110332.3	0.531
Jun-16	30	5,595	889.5	0	4,764	757.4	7,636	1,214	29.7	0	25	40	447,113	71083	0	59551	59543	7	0	46.0%	47	0.87	0.0	45.6%	111743.0	0.536
Jul-16	31	5,764	916.3	0	4,688	745.2	8,011	1,274	29.6	0	24	41	452,877	71999	0	60296	60817	7	0	44.9%	46	0.90	0.0	45.6%	113160.9	0.540
Aug-16	31	5,788	920.2	0	4,532	720.4	8,184	1,301	29.7	0	23	42	458,665	72920	0	61016	62118	7	0	43.9%	45	0.94	0.0	45.6%	114556.7	0.545
Sep-16	30	5,462	868.4	0	4,055	644.7	7,478	1,189	28.9	0	21	40	464,127	73788	0	61661	63306	7	0	42.6%	43	0.93	0.0	45.5%	115838.6	0.549
Oct-16	31	6,772	1,076.7	0	4,627	735.6	7,294	1,160	34.7	0	24	37	470,900	74865	0	62397	64466	7	0	40.6%	49	0.76	0.0	45.5%	117364.0	0.552
Nov-16	30	6,870	1,092.2	0	4,572	726.9	6,849	1,089	36.4	0	24	36	477,770	75957	0	63124	65555	7	0	40.0%	51	0.72	0.0	45.4%	118891.9	0.554
Dec-16	31	7,500	1,192.4	0	5,482	871.5	6,563	1,043	38.5	0	28	34	485,270	77149	0	63995	66598	7	0	42.2%	56	0.60	0.0	45.3%	120638.3	0.555
Jan-17	31	7,264	1,154.9	0	4,809	764.5	6,441	1,024	37.3	0	25	33	492,534	78304	0	64760	67623	7	0	39.8%	52	0.64	0.0	45.3%	122249.8	0.556
Feb-17	28	6,007	955.0	0	4,830	767.9	5,859	931	34.1	0	27	33	498,542	79259	0	65527	68554	7	0	44.6%	52	0.64	0.0	45.3%	123718.7	0.557
Mar-17	31	6,656	1,058.2	0	5,515	876.8	6,287	999	34.1	0	28	32	505,198	80318	0	66404	69553	7	0	45.3%	53	0.61	0.0	45.3%	125372.4	0.558
Apr-17	30	6,351	1,009.7	0	5,618	893.1	6,013	956	33.7	0	30	32	511,548	81327	0	67297	70509	7	0	46.9%	54	0.59	0.0	45.3%	127007.1	0.558
May-17	31	6,229	990.4	0	5,881	935.0	6,509	1,035	31.9	0	30	33	517,778	82318	0	68232	71544	7	0	48.6%	54	0.63	0.0	45.3%	128669.8	0.559
Jun-17	30	5,227	831.1	0	5,528	878.9	6,219	989	27.7	0	29	33	523,005	83149	0	69111	72533	6	0	51.4%	50	0.67	0.0	45.4%	130159.9	0.560
Jul-17	31	4,428	703.9	0	4,613	733.4	5,527	879	22.7	0	24	28	527,433	83853	0	69845	73412	7	0	51.0%	40	0.71	0.0	45.4%	131410.9	0.561
Aug-17	31	4,998	794.6	0	6,752	1,073.4	7,522	1,196	25.6	0	35	39	532,431	84647	0	70918	74608	7	0	57.5%	54	0.72	0.0	45.6%	133069.7	0.564
Sep-17	30	5,821	925.4	0	6,391	1,016.1	9,381	1,491	30.8	0	34	50	538,252	85573	0	71934	76099	7	0	52.3%	57	0.88	0.0	45.7%	134766.5	0.568
Oct-17	31	6,344	1,008.7	0	6,132	974.9	10,082	1,603	32.5	0	31	52	544,596	86581	0	72909	77702	7	0	49.2%	55	0.94	0.0	45.7%	136482.7	0.572
Nov-17	30	6,155	978.5	0	5,475	870.5	9,187	1,461	32.6	0	29	49	550,751	87560	0	73780	79162	7	0	47.1%	53	0.92	0.0	45.7%	138072.0	0.576
Dec-17	31	6,192	984.4	0	6,587	1,047.2	9,107	1,448	31.8	0	34	47	556,943	88544	0	74827	80610	7	0	51.5%	57	0.82	0.0	45.8%	139843.1	0.579
Jan-18	31	6,041	960.4	0	7,328	1,165.0	8,702	1,383	31.0	0	38	45	562,984	89505	0	75992	81994	7	0	54.8%	60	0.74	0.0	45.9%	141715.2	0.582
Feb-18	28	4,997	794.4	0	7,154	1,137.4	6,868	1,092	28.4	0	41	39	567,981	90299	0	77129	83086	7	0	58.9%	62	0.64	0.0	46.1%	143438.2	0.582
Mar-18	31	5,653	898.7	0	7,313	1,162.6	8,006	1,273	29.0	0	38	41	573,634	91198	0	78292	84358	7	0	56.4%	59	0.70	0.0	46.2%	145262.9	0.584
Apr-18	30	5,386	856.3	0	5,764	916.4	6,545	1,040	28.5	0	31	35	579,020	92054	0	79208	85399	7	0	51.7%	52	0.68	0.0	46.2%	146809.0	0.585
May-18	31	5,256	835.6	0	6,393	1,016.4	7,329	1,165	27.0	0	33	38	584,276	92890	0	80225	86564	7	0	54.9%	53	0.72	0.0	46.3%	148440.5	0.586
Jun-18	30	4,600	731.3	0	5,614	892.5	10,300	1,638	24.4	0	30	55	588,876	93621	0	81117	88202	7	0	55.0%	48	1.15	0.0	46.4%	149871.4	0.592
Jul-18	31	4,912	780.9	0	7,657	1,217.3	18,621	2,960	25.2	0	39	95	593,788	94402	0	82334	91162	7	0	60.9%	58	1.66	0.0	46.6%	151665.0	0.604
Aug-18	31	5,384	856.0	0	8,487	1,349.3	15,581	2,477	27.6	0	44	80	599,172	95258	0	83684	93639	7	0	61.2%	64	1.26	0.0	46.8%	153646.0	0.613
Sep-18	30	5,438	864.5	0	9,104	1,447.4	15,458	2,458	28.8	0	48	82	604,610	96122	0	85131	96097	7	0	62.6%	70	1.18	0.0	47.0%	155731.9	0.620
Oct-18	31	5,315	845.0	0	9,003	1,431.3	13,058	2,076	27.3	0	46	67	609,925	96967	0	86562	98173	7	0	62.9%	66	1.02	0.0	47.2%	157787.3	0.625
Nov-18	30	5,037	800.8	0	8,596	1,366.6	6,155	979	26.7	0	46	33	614,962	97768	0	87929	99151	7	0	63.1%	65	0.50	0.0	47.4%	159745.4	0.624
Dec-18	31	4,859	772.5	0	7,983	1,269.2	13,308	2,116	24.9	0	41	68	619,821	98541	0	89198	101267	7	0	62.2%	59	1.16	0.0	47.5%	161585.0	0.630

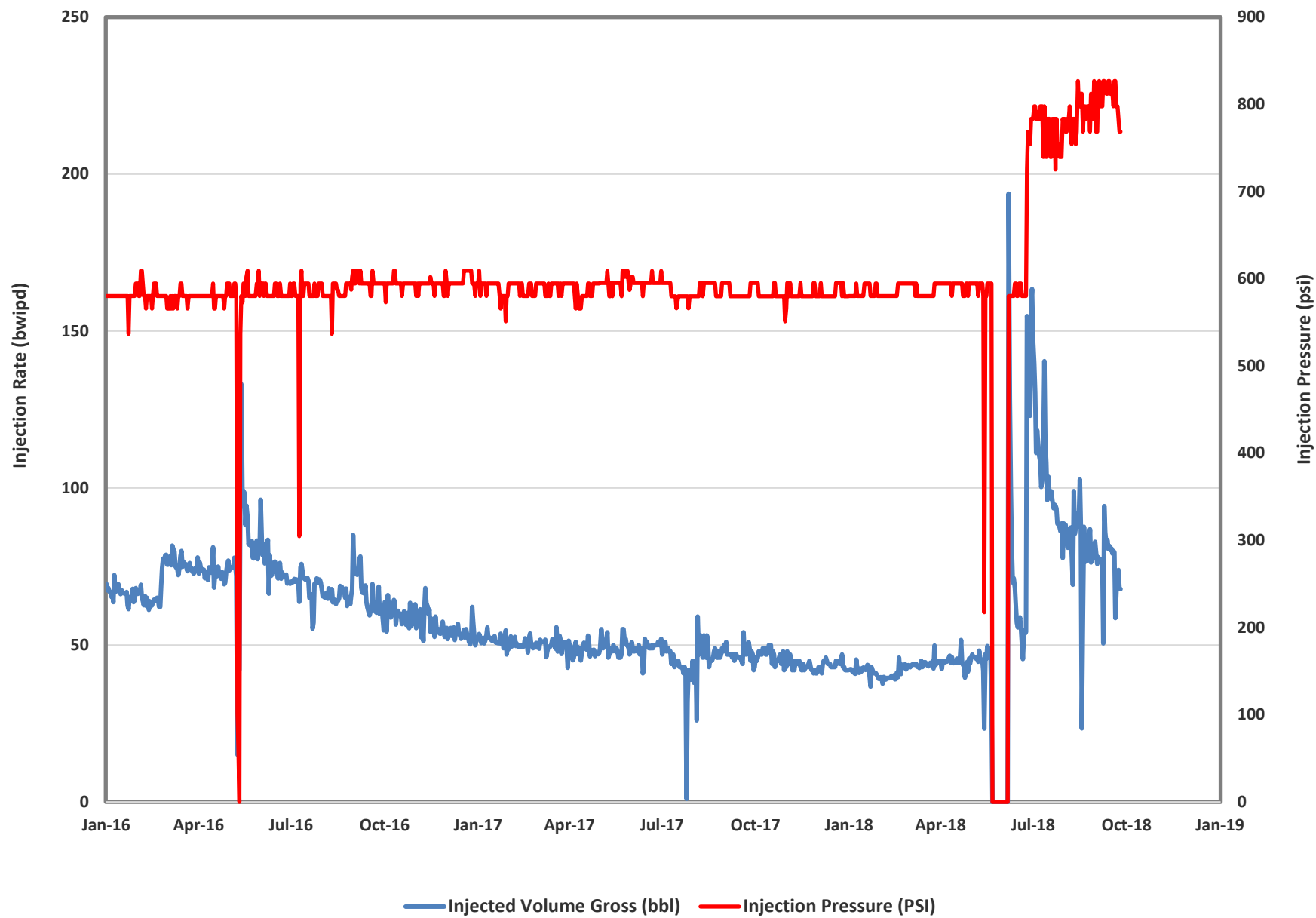


East Manson Unit No. 1 - Injection Parameters

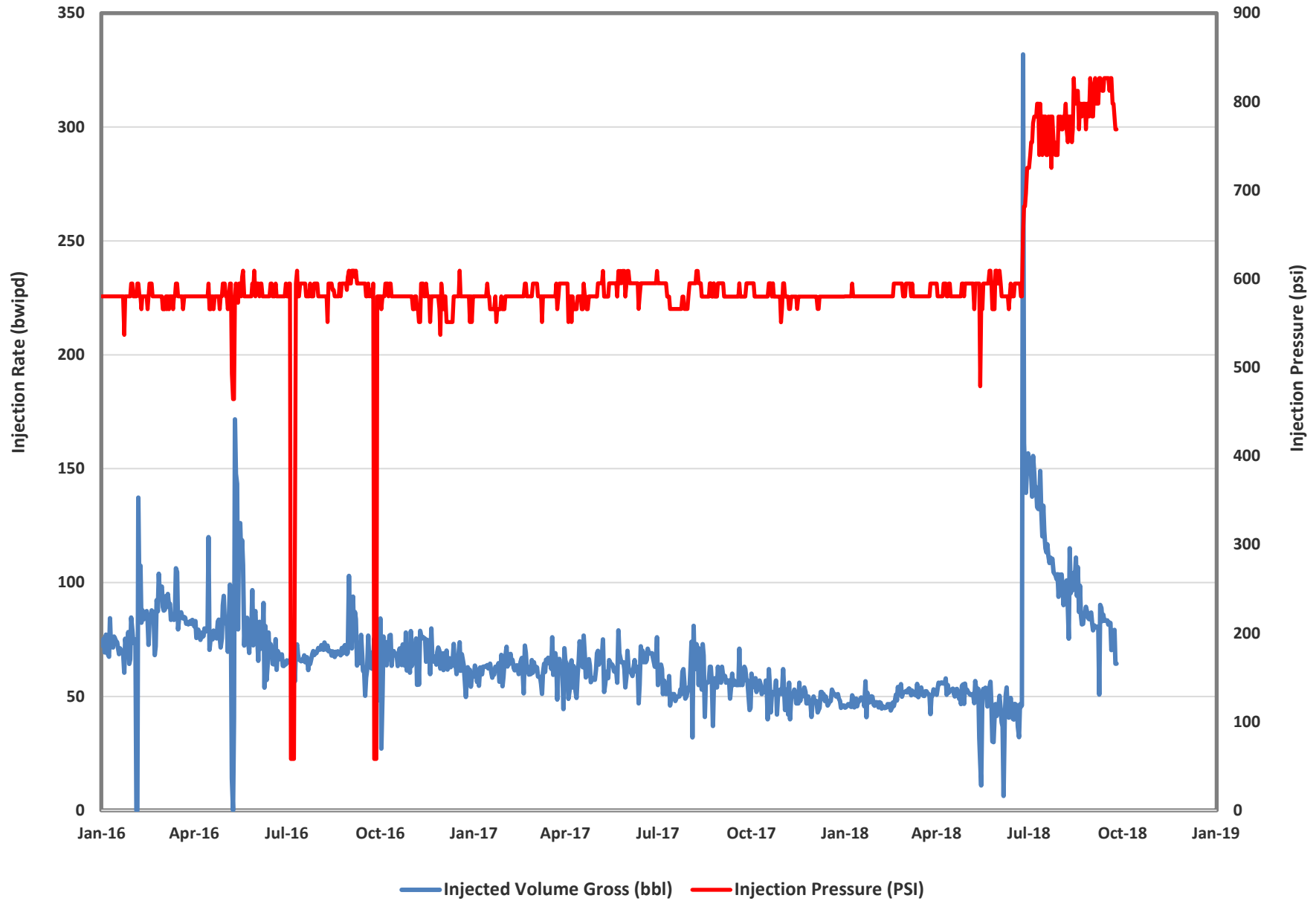
Month	Oil Rate (m3/d)	Gas Rate (e3m3/d)	Water Rate (m3/d)	Water Inj Rate (m3/d)	Cum Oil (m3)	Cum Gas (e3m3)	Cum Water (m3)	Cum Inj Water (m3)	GOR (m3/m3)	WOR (m3/m3)
Jan-18	31.0	0.0	37.6	44.6	89,505	0.0	75,992	81,994	0	1.21
Feb-18	28.4	0.0	40.6	39.0	90,299	0.0	77,129	83,086	0	1.43
Mar-18	29.0	0.0	37.5	41.1	91,198	0.0	78,292	84,358	0	1.29
Apr-18	28.5	0.0	30.5	34.7	92,054	0.0	79,208	85,399	0	1.07
May-18	27.0	0.0	32.8	37.6	92,890	0.0	80,225	86,564	0	1.22
Jun-18	24.4	0.0	29.8	54.6	93,621	0.0	81,117	88,202	0	1.22
Jul-18	25.2	0.0	39.3	95.5	94,402	0.0	82,334	91,162	0	1.56
Aug-18	27.6	0.0	43.5	79.9	95,258	0.0	83,684	93,639	0	1.58
Sep-18	28.8	0.0	48.2	81.9	96,122	0.0	85,131	96,097	0	1.67
Oct-18	27.3	0.0	46.2	67.0	96,967	0.0	86,562	98,173	0	1.69
Nov-18	26.7	0.0	45.6	32.6	97,768	0.0	87,929	99,151	0	1.71
Dec-18	24.9	0.0	40.9	68.2	98,541	0.0	89,198	101,267	0	1.64

Month	00/02-29 Water Inj Press (psi)	00/04-29 Water Inj Press (psi)	02/07-29 Water Inj Press (psi)	00/11-29 Water Inj Press (psi)
Jan-18	584	581	581	581
Feb-18	586	585	586	586
Mar-18	586	586	587	587
Apr-18	592	585	593	594
May-18	389	587	582	586
Jun-18	503	608	602	602
Jul-18	772	764	714	723
Aug-18	789	789	616	604
Sep-18	801	804	757	807
Oct-18	787	791	798	813
Nov-18	520	881	820	942
Dec-18	658	711	718	770

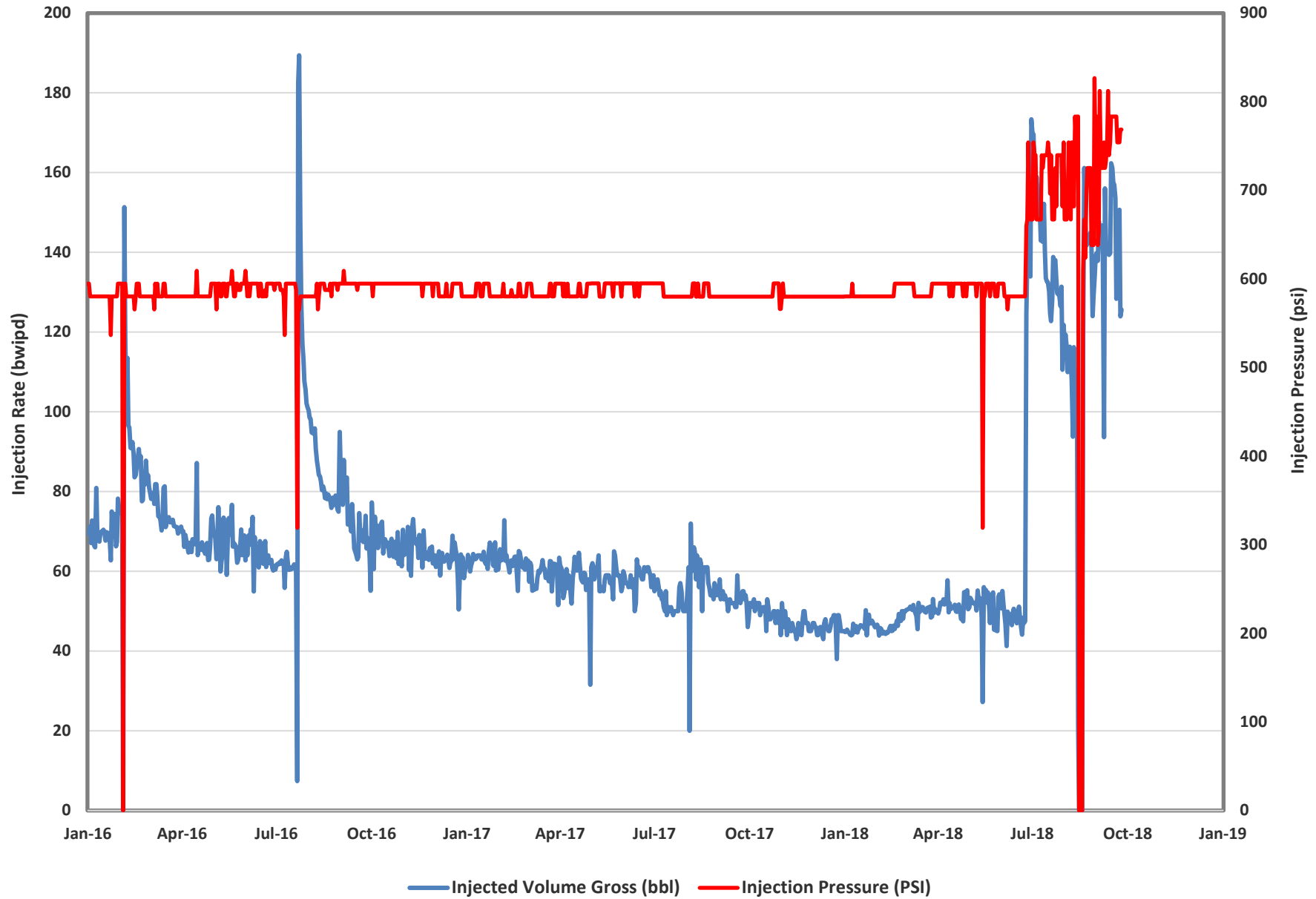
00/02-29-013-28W1 Rate vs Pressure



00/04-29-013-28W1 Injection Rate vs Pressure



02/07-29-013-28W1 Rate vs Pressure



00/11-29-013-28W1 Rate vs Pressure

