



TOUCHSTONE ANNOUNCES 2014 THIRD QUARTER RESULTS

Calgary, Alberta – November 13, 2014 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX: TXP) is pleased to announce our financial and operating results for the three months ended September 30, 2014 (“third quarter” or “Q3 2014”).

Third Quarter Highlights

- Increased average corporate oil production to 2,269 barrels per day, 1,831 barrels per day produced in Trinidad and 438 barrels per day produced in Canada;
- Generated corporate funds flow from operations of \$3,963,000 (\$0.05 per basic share);
- Realized \$750,000 in positive operating netbacks at the Company’s Kerrobert and Luseland operations; and
- Drilled and cased four (4 net) wells in Trinidad.

Third Quarter Summary

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2014	2013	2014	2013
Operational				
Corporate average daily production (bbls/day)	2,269	191	1,300	208
Financial (\$000's except per share amounts)				
Corporate petroleum sales	18,650	-	26,511	-
Corporate net income (loss)	(6,690)	(1,460)	(7,906)	(8,619)
Per share – basic and diluted ²	(0.08)	(0.03)	(0.12)	(0.18)
Corporate funds flow from operations ¹	3,963	(1,012)	(1,857)	(5,481)
Per share – basic and diluted ^{1,2}	0.05	(0.02)	(0.03)	(0.11)
Exploration asset expenditures	1,826	9,394	10,826	20,886
Property and equipment expenditures	5,859	26	13,675	150
Total assets (end of period)			192,160	147,883
Working capital (end of period)			2,415	59,879
Total debt ¹ (end of period)			657	1,159
Weighted average shares outstanding ²				
Basic and diluted	82,844,988	48,718,912	65,927,167	48,770,474
Outstanding shares (end of period) ²			83,059,643	48,718,912

¹See “Non-GAAP Measures”

²All current and comparative share amounts have been adjusted to reflect the two for one common share consolidation completed on May 13, 2014.

Production volumes averaged 2,269 barrels per day during the quarter (100 percent oil). Trinidad sales averaged 1,831 barrels per day and Canadian average sales were 438 barrels per day, representing a combined increase of 86 percent from the second quarter of 2014. Canadian production increased 12 percent from the second quarter and Trinidad average production increased 16 percent from the 1,574 barrels per day produced throughout the 48 day post-acquisition second quarter period.

Touchstone’s third quarter funds flow from operations totaled \$3,963,000 or \$0.05 per basic share compared to negative funds flow from operations of \$4,007,000 or \$0.07 per basic share recorded in the prior quarter. During the quarter, the Company determined that the Kerrobert and Luseland properties met the criteria for technical feasibility and commercial viability. Prior to transferring the carrying values from exploration assets to property and equipment, the Company conducted impairment tests of the

carrying values and recorded a non-cash impairment charge of \$3,112,000. This charge combined with a \$3,379,000 loss attributable to the fair value decline of the Company's investments in marketable securities led to a net loss of \$6,690,000 recorded during the three months ended September 30, 2014.

Operating Netbacks¹

	Three months ended Sept. 30 2014	Nine months ended Sept. 30 2014
Canada operating netback¹ (\$/bbl)		
Reference price – WTI	106.52	109.36
Petroleum sales	71.12	71.12
Royalties	(4.48)	(4.48)
Net sales	66.64	66.64
Operating expenses	(45.63)	(45.63)
Operating netback	21.01	21.01
Trinidad operating netback¹ (\$/bbl)		
Reference price - Brent	110.92	116.59
Petroleum sales	95.66	98.25
Royalties	(29.73)	(31.84)
Net sales	65.93	66.41
Adjusted operating expenses ²	(22.80)	(24.10)
Adjusted operating netback	43.13	42.31

¹See "Non-GAAP Measures"

²Nine month ended September 30, 2014 operating expenses have been adjusted for a \$1,276,000 one-time non-cash operating expense to reflect the value of crude oil inventory that was accounted for at its fair value in the business combination completed on May 13, 2014.

Effective July 1, 2014, the Company's Kerrobert and Luseland properties were deemed commercially viable and generated \$750,000 in positive operating netbacks during the three and nine months ended September 30, 2014. Trinidad operating netbacks increased 6 percent from the prior quarter as decreased royalty and operating costs offset lower selling prices realized during the third quarter.

Canadian exploration asset expenditures were \$1,826,000 in the quarter as Dawson capitalized losses of \$851,000 were incurred due to lower than anticipated production rates from the two well cyclical steam simulation project. Subsequent to quarter-end, the Company has shut in the two underperforming wells. During the quarter, Touchstone acquired 16 (8 net) sections of land in the Dodsland/Kerrobert area.

With a continued focus on the development of our Trinidad resources, the Company invested \$5,311,000 in Trinidad, primarily directed at the drilling and completion of four wells in the quarter.

At the end of the third quarter, working capital surplus totaled \$2,415,000 compared to \$9,728,000 in the previous quarter. The quarter-over-quarter decrease was largely attributable to capital expenditure spending in excess of cash flows. As at September 30, 2014, 977,113 Lightstream Resources Ltd. common shares are included in working capital as investments in marketable securities. Touchstone continues working toward a new operating credit facility to facilitate its expanded capital program in Trinidad.

Operations Update

Further to Touchstone's October 23, 2014 operational update, the Company has drilled two additional wells. The first well was drilled on our WD-4 property to a total depth of 6,482 feet. As indicated on the logs, the well has encountered approximately 600 feet of net pay. The Company will be completing a series of side wall cores in an attempt to gather data for future production and enhanced recovery opportunities. The second well was drilled at our Coora property to a total depth of 3,394 feet and encountered 323 feet of net pay.

The Company currently has seven wells awaiting initial completion and optimization, all of which are anticipated to be on stable production by the end of November.

Touchstone Exploration Inc. is a Calgary-based company engaged in the business of acquiring interests in petroleum and natural gas rights, and the exploration, development, production and sale of petroleum and natural gas. Touchstone is currently active in onshore properties located in the Republic of Trinidad and Tobago and Western Canada. The Company's common shares are traded on the Toronto Stock Exchange under the symbol "TXP".

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Non-GAAP Measures

This press release contains terms commonly used in the oil and gas industry, such as funds flow from operations, funds flow from operations per share, operating netback, funds flow netback and total debt. These terms do not have a standardized meaning under International Financial Reporting Standards ("IFRS") and may not be comparable to similar measures presented by other companies.

Funds flow from operations represents cash flow from operating activities before changes in non-cash working capital. Management believes that in addition to net earnings and cash flows from operating activities, funds flow from operations is a useful financial measurement which assists in demonstrating the Company's ability to fund capital expenditures necessary for future growth or to repay debt. The Company calculates funds flow from operations per share by dividing funds flow from operations by the weighted average number of basic and dilutive common shares outstanding during the period.

The Company uses funds flow netbacks as a key performance indicator of results. Funds flow netbacks do not have a standardized meaning under IFRS and therefore may not be comparable with the calculation of similar measures by other companies. Funds flow netbacks are presented on a per barrel basis and are calculated by deducting royalties, operating expenses, general and administrative expenses, transaction costs, finance and other expenses and current income tax expenses from petroleum sales. Funds flow netbacks are a useful measure to compare the Company's operations with those of its peers.

The Company also uses operating netbacks as a key performance indicator of field results. Operating netbacks do not have a standardized meaning under IFRS and therefore may not be comparable with the calculation of similar measures by other companies. Operating netbacks are presented on a per barrel basis and are calculated by deducting royalties and operating expenses from petroleum sales. Operating netbacks are a useful measure to compare the Company's operations with those of its peers.

Total debt is calculated by summing the Company's current and long-term portions of interest bearing instruments. The Company uses this information to assess its true debt position and manage capital risk. This measure does not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures reported by other companies.

Advisory on Forward-looking Statements

Certain information regarding Touchstone set forth in this document contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify

forward-looking statements. Such statements represent Touchstone's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. In addition, statements relating to "reserves" or "resources" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Touchstone's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of the Company.

In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to the performance characteristics of the Company's oil properties; supply and demand for oil; financial and business prospects and financial outlook; results of drilling and testing, results of operations; drilling plans; activities to be undertaken in various areas; timing of drilling and completion; and planned capital expenditures and the timing thereof.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and the Republic of Trinidad and Tobago; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; ability to access sufficient capital from internal and external sources; the risks that any estimate of potential net oil pay is not based upon an estimate prepared or audited by an independent reserves evaluator; that there is no certainty that any portion of the hydrocarbon resources will be discovered, or if discovered that it will be commercially viable to produce any portion thereof; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Touchstone's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements. Readers are also cautioned that the foregoing list of factors and assumptions is not exhaustive. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.