



NEWS RELEASE

TOUCHSTONE ANNOUNCES DAWSON DISPOSITION AND CONFIRMS CREDIT FACILITY BORROWING BASE

Calgary, Alberta – July 22, 2015 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX: TXP) announces that it has disposed of its interest in the Dawson area of Alberta for cash consideration of \$2,150,000. The property was a non-producing legacy asset that was originally acquired for a potential THAI® project. In October 2014 Touchstone terminated a Dawson area cyclical steam pilot program based on uneconomic operating results. With the conclusion of the steam pilot and no intent to pursue THAI® projects in the future, the Company had no immediate development plans for the property. The property was assigned proved reserves of 463,000 barrels (net) and proved plus probable reserves of 946,000 barrels (net) of heavy oil as of December 31, 2014. Associated future capital costs were \$7,813,000 (proved) and \$13,322,000 (proved plus probable). Following this transaction the Company has no land holdings in Alberta.

James Shipka, Chief Operating Officer, said “the Dawson property was outside the scope of Touchstone’s business model and its monetization allows us to reduce our net debt and focus future capital on our core producing properties in Trinidad.”

The Company is also pleased to announce that its borrowing base on its Trinidad based credit facility has been maintained at US\$15 million. This amount will continue until the next borrowing base redetermination in October 2015.

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”.

For further information, please contact:

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Forward-Looking Statements: *Certain information provided in this press release may constitute forward-looking statements. Forward-looking statements are necessarily based on a number of assumptions and judgments, including but not limited to, assumptions relating to the outlook for commodity and capital markets, the success of future resource evaluation and development activities, the performance of producing wells and reservoirs, well development and operating performance, general economic conditions, weather, and the regulatory and legal environment. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. You can find a discussion of those risks and uncertainties in the Company’s Canadian securities filings. Such factors include, but are not limited to: general economic, market and business conditions; weather conditions and access to properties; fluctuations in oil prices; the results of exploration and development drilling, recompletions and related activities; timing and rig availability; outcome of exploration contract negotiations; fluctuation in foreign currency exchange rates; the uncertainty of reserve estimates; changes in environmental and other regulations; uncertainties associated with the regulatory review and approval process in respect to projects; risks associated with the application of early stage technology; risks associated with oil and gas operations and other factors, many of which are beyond the control of*

Touchstone. There is no representation by Touchstone that actual results achieved during the forecast period will be the same in whole or in part as those forecasted. Except as may be required by applicable securities laws, Touchstone assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.