



## NEWS RELEASE

### TOUCHSTONE ANNOUNCES KERROBERT SASKATCHEWAN DISPOSITION

Calgary, Alberta – January 20, 2016 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX: TXP) announces that it has entered into an agreement to dispose of its Kerrobert, Saskatchewan facility, infrastructure and the associated PNG rights to Quattro Exploration and Production Ltd. (“Quattro”) (TSXV: QXP) for total consideration of \$4,150,000. The consideration includes \$650,000 in cash and \$3,500,000 in securities through the issuance of 35,000 non-voting Quattro Class “C”, Series 3 preferred shares. The preferred shares have a face value of \$100 per share and pay an annual preferred dividend of \$3.50 per share. The cash consideration consists of \$100,000 to be paid upon signing of the Purchase and Sale Agreement with the balance payable no later than February 15, 2016. Non-payment of the final cash installment will result in Quattro forfeiting the initial cash deposit. The disposition is effective December 31, 2015 and is expected to close on or before February 15, 2016, subject to satisfaction of closing conditions customary in transactions of this nature.

James Shipka, Chief Operating Officer, said “the Kerrobert property was our final producing asset in Canada. The disposition of the property will eliminate operating losses and allow our team to focus on our core onshore Trinidad producing assets.”

The property contributed an average of 100 barrels of heavy oil per day during the three months ended September 30, 2015 and was a legacy Petrobank combustion project. With no intent to pursue combustion projects now or in the future, the Company had no development plans for the property. As of December 31, 2014, the property was assigned net Total Proved reserves of 399,400 barrels and net Total Proved plus Probable reserves of 606,100 barrels of heavy oil. Associated future capital costs were \$1,020,000 under both the Proved and Proved plus Probable cases. The property incurred unaudited operating losses of approximately \$1.35 million during the eleven months ended November 30, 2015. Through this disposition, the Company will eliminate an internally estimated \$3.33 million in future abandonment liabilities associated with the assets. Following the disposition, Touchstone has an interest in 32,723 acres of undeveloped land in Saskatchewan focusing mainly on the Viking formation.

#### Advisory Regarding Forward-Looking Statements

*Certain information provided in this news release may constitute forward-looking statements within the meaning of applicable securities laws including, but not limited to, information, expectations, and assumptions regarding the property disposition. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties, including failing to complete the property disposition on terms that are acceptable to the Company or at all. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Certain of these risks are set out in more detail in the Company’s Annual Information Form dated March 30, 2015 which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this news release are made as of the date hereof and except as may be required by applicable securities laws, the Company 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.*

## **About Touchstone**

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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