



## TOUCHSTONE PROVIDES OPERATIONAL UPDATE

Calgary, Alberta – November 28, 2017 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX / LSE: TXP) is pleased to provide the following operational update.

### Highlights

- Achieved September 2017 and October 2017 crude oil sales of 1,369 and 1,472 barrels per day (“bbls/d”), respectively.
- Production from the four wells drilled in 2017 remains strong, contributing an average of 299 bbls/d during September and October 2017.
- The Company has commenced preparation of the drilling locations of its next four wells. Drilling is expected to commence in January 2018 and will be funded by existing cash on hand.
- The Company’s surface water disposal project on its Fyzabad property continues to move forward, as Touchstone expects to drill two shallow monitoring wells in the fourth quarter of 2017 and anticipates the injection of produced water in the first quarter of 2018.

### Production

Touchstone’s September and October 2017 crude oil production averaged 1,421 bbls/d. The Company’s current field estimated production is approximately 1,472 bbls/d (based on the previous seven-day average).

#### *Coora 1 Block*

The CO-368 well has been producing for 165 days from 41 feet of net oil sand in the Cruse Formation. The well has produced approximately 9,520 barrels of oil during that period, an average of 58 bbls/d. The well remains on pump and current field estimated production is approximately 55 bbls/d.

CO-369 was placed on production on June 23, 2017 with a total of 71 feet of net oil sand perforated in the Cruse Formation. The well has produced an average daily oil production rate of 181 bbls/d over its first 156 days. The well is currently pumping and current field estimated production is 201 bbls/d.

#### *Grand Ravine WD-4 Block*

The PS-598 well has encountered higher than expected water cuts but continues to flow with significant reservoir pressure. Due to the significantly higher volumes and pressure, production from the well has been deliberately curtailed due to surface facility constraints. The well has produced approximately 2,760 barrels of oil in 124 days, representing an average of 22 bbls/d. Surface upgrades are expected to be complete in the next 30 days, following which the Company will increase the well flow rate to maximize oil production. Current production from this well is approximately 26 bbls/d from 15 feet of net oil sands.

The PS-599 well has produced approximately 5,177 barrels over its first 122 days of production, an average of 42 bbls/d. The well has produced at less than a two percent water cut, however production appears to be hampered by near well bore damage. Current production is 19 bbls/d with indications that formation damage from drilling fluids may be inhibiting inflow. The Company is working to optimize production from this initial 40-foot net interval and is evaluating several options including a solvent squeeze or fracture stimulation.

## **Drilling Program**

As previously announced, Touchstone is proceeding to drill the next four wells in the Company's drilling inventory with preparation currently underway on three surface locations.

Two wells will be drilled on the Forest Reserve WD-8 block, targeting sands in the Lower Cruse Formation at approximately 4,700 feet. The wells will be drilled from individual surface locations with accommodations being made for future drilling at each location. The wells will be targeting deeper reserves in a relatively undrained fault block. Oil sands are anticipated in the Upper and Lower Forest Formations, as well as the Upper, Middle and Lower Cruse Formations.

Two wells will be drilled on the Coora 2 block from a single surface location with downhole targets in two separate fault blocks. The primary target in both wells are oil sands in the Lower Forest Formation, however both wells will be drilled to investigate potential reserves identified in the Upper Cruse Formation at depths of less than 4,000 feet. These two wells will complete the Company's minimum work obligations on the Coora 2 block for the period ending December 31, 2020.

As with the first four wells drilled in 2017, the Company is awarding the drilling of these wells to a local drilling company on a "turn key" basis. The first four wells of 2017 were drilled at a cost of less than US\$200 per foot, an approximate 41% reduction versus the Company's previous drilling campaign in 2014. Quoted costs for the next four wells reflect a further reduction in per foot drilling costs of approximately 18%.

### **James Shipka, Chief Operating Officer, said:**

*"Production from the Company's 2017 drilling program continues to exceed expectations and we are looking forward to returning to the field to drill the next four wells. We will continue to execute our strategy of drilling deeper in established pools, an approach which we plan to utilize in evaluating all of our future drilling prospects."*

## **Water Disposal**

Touchstone remains dedicated to implementing best practices regarding produced water handling on all of its producing properties. Trinidad's first produced water disposal project was approved on the Company's Fyzabad block earlier in 2017 and the Company expects to begin disposing produced water in the well in the first quarter of 2018 following the drilling of two shallow (200 feet) monitoring wells.

Touchstone is planning to conduct an injectivity test of a well on its Grand Ravine WD-4 property prior to year-end. The Company looks forward to expanding its water disposal program throughout its operations in 2018.

### **Paul Baay, President and Chief Executive Officer, commented:**

*"Corporate social responsibility is very important to Touchstone and two of the major items we focus on are the environment and the health of our employees and their families. The Fyzabad water injection project marks our first steps towards a goal of zero surface water release by the end of 2019 and shows our dedication to being a local leader in environmental stewardship."*

## **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. The Company's common shares are traded on the Toronto Stock Exchange and the AIM market of the London Stock Exchange under the symbol "TXP".

## **Forward-Looking Statements**

Certain information provided in this press release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking information in this press release may include, but is not limited to, statements relating to current field estimated production, and the potential undertaking, timing and costs of future well drilling and water disposal operations. 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. 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 21, 2017 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 press release are made as of the date hereof, and except as may be required by applicable securities laws, the Company assumes no obligation to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

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