

19 December 2017

**Touchstone Exploration Inc.**

("Touchstone" or the "Company")

Notification of Transaction by Director / PDMR

**Exercise of Incentive Share Options & Sale of Common Shares**

Touchstone Exploration Inc. (TSX / LSE: TXP), an oil and gas exploration and production company active in the Republic of Trinidad and Tobago, announces that on 18 December 2017, Paul R. Baay, President and Chief Executive Officer, exercised incentive share options over 100,000 common shares in the Company at a price of C\$0.05 per share (approximately 2.9 pence per share). These incentive share options were granted in accordance with the Company's incentive share option plan. Mr. Baay subsequently sold 100,000 common shares at a price of C\$0.20 per share (approximately 11.7 pence per share).

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them in accordance with the Market Abuse Regulations.

| <b>1</b>   | <b>Details of the person discharging managerial responsibilities / person closely associated</b>   |   |        |         |           |                                 |            |                       |
|------------|--|---|--------|---------|-----------|---------------------------------|------------|-----------------------|
| a)         | Name   | Paul R. Baay  |        |         |           |                                 |            |                       |
| <b>2</b>   | <b>Reason for the notification</b>   |   |        |         |           |                                 |            |                       |
| a)         | Position/status  | President and Chief Executive Officer   |        |         |           |                                 |            |                       |
| b)         | Initial notification /Amendment  | Initial notification  |        |         |           |                                 |            |                       |
| <b>3</b>   | <b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>   |   |        |         |           |                                 |            |                       |
| a)         | Name   | Touchstone Exploration Inc.   |        |         |           |                                 |            |                       |
| b)         | LEI  | 2138008URBSUC1J24J73  |        |         |           |                                 |            |                       |
| <b>4</b>   | <b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b> |   |        |         |           |                                 |            |                       |
| a)         | Description of the financial instrument, type of instrument  | Common Shares of no par value   |        |         |           |                                 |            |                       |
|            | Identification code  | CA89156L1085  |        |         |           |                                 |            |                       |
| b)         | Nature of the transaction  | Exercise of 100,000 incentive share options and sale of 100,000 common shares   |        |         |           |                                 |            |                       |
| c)         | Prices and volumes   | <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Prices</th> <th style="text-align: center;">Volumes</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2.9p each</td> <td style="text-align: center;">100,000 incentive share options</td> </tr> <tr> <td style="text-align: center;">11.7p each</td> <td style="text-align: center;">100,000 common shares</td> </tr> </tbody> </table> | Prices | Volumes | 2.9p each | 100,000 incentive share options | 11.7p each | 100,000 common shares |
| Prices     | Volumes  |   |        |         |           |                                 |            |                       |
| 2.9p each  | 100,000 incentive share options  |   |        |         |           |                                 |            |                       |
| 11.7p each | 100,000 common shares  |   |        |         |           |                                 |            |                       |
| d)         | Aggregated information   |   |        |         |           |                                 |            |                       |
|            | - Aggregated volume  | 100,000 incentive share options exercised<br>100,000 common shares sold   |        |         |           |                                 |            |                       |
|            | - Price  | Purchase: 2.9p each<br>Sale: 11.7p each   |        |         |           |                                 |            |                       |
| e)         | Date of the transaction  | 18 December 2017  |        |         |           |                                 |            |                       |
| f)         | Place of the transaction   | Toronto Stock Exchange  |        |         |           |                                 |            |                       |

**For further information, please contact:**

**Touchstone Exploration Inc.**

Mr. Paul Baay, President and Chief Executive Officer  
Mr. Scott Budau, Chief Financial Officer

Tel: +1 (403) 750-4487

**Shore Capital (Nominated Advisor and Joint Broker)**

Nominated Adviser: Edward Mansfield / Mark Percy  
Corporate Broking: Jerry Keen

Tel: +44 (0) 20 7408 4090

**GMP FirstEnergy (Joint Broker)**

Jonathan Wright / Hugh Sanderson

Tel: +44 (0) 207448 0200

**Camarco (Financial PR)**

Nick Hennis / Billy Clegg / Jane Glover

Tel: +44 (0) 203 757 4980

**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".

**Advisories**

For reference purposes in this announcement, one British pound has been translated from Canadian dollars at a rate of 1.00 to 1.72.