



## TOUCHSTONE ANNOUNCES OPERATIONAL AND DRILLING UPDATE

Calgary, Alberta – August 9, 2018 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX / LSE: TXP) announces an operational and drilling update.

### Highlights

- Achieved average second quarter 2018 crude oil production of 1,717 barrels per day (“bbls/d”), representing increases of 11% and 29% from the first quarter of 2018 and the second quarter of 2017, respectively.
- Delivered July estimated crude oil production of 1,757 bbls/d.
- Drilled, cased and commenced completion operations on the sixth and seventh wells of our ten well 2018 drilling campaign.
- Commenced pre-drilling operations on the eighth well of the 2018 program on our WD-8 block.
- Identified six independent exploratory drilling prospects on our Ortoire block.

### Production

The four wells drilled in the Company’s 2017 drilling program continued to deliver significant volumes, with combined July 2018 field estimated average production of 365 bbls/d. Three of the first five wells of the Company’s 2018 drilling campaign produced a combined July 2018 field estimated average production rate of 184 bbls/d.

#### ***Forest Reserve WD-8 Block***

FR-1792 and FR-1793 are undergoing optimization following their initial completions performed in May 2018. FR-1792 is currently flowing up casing at a field estimated rate of 92 bbls/d. The well had an initial 10-day average production rate of 220 bbls/d and a 30-day rate of 193 bbls/d. When the rate and pressure in the well allow, the Company will run tubing and if necessary, place on pump. FR-1792 has produced approximately 12,560 barrels of oil since being brought on production in early May, averaging 140 bbls/d since completion.

FR-1793 was placed on pump on July 26, 2018 and is currently producing at a field estimated rate of 38 bbls/d. The Company plans to optimize its production following the drilling of the eighth well of the 2018 program which shares a common surface location. The well had an initial 10-day average production rate of 125 bbls/d and a 30-day rate of 74 bbls/d. Since being placed on production in mid May 2018, FR-1793 has produced approximately 3,782 barrels, representing an average of 44 bbls/d.

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

PS-602 is producing at a field estimated rate of 50 bbls/d while the Company evaluates the potential to comingle the current completion with a secondary zone already completed. This optimization has the potential to double production from the well and will be performed as soon as pressures stabilize between the two zones. PS-602 has produced approximately 6,909 barrels of crude oil since being put on production on March 8, 2018, averaging 45 bbls/day to date.

#### ***Coora 2 Block***

CO-370 and CO-371 have yet to be completed in their primary up-hole zones of interest as the Company has been producing from deeper secondary opportunities in both wells. Current regulatory guidelines require deeper prospects to be tested for commerciality before moving up-hole. The sands of the Upper Cruse Formation have not proven to be economic based on initial testing with high gas rates being observed in CO-370 and limited inflow being seen in CO-371. On a combined basis, the two wells are currently

producing at a field estimated rate of 20 bbls/d. The Company has applied to move up-hole to the primary zone of interest in both wells and will commence operations once approvals are obtained. It is anticipated that both wells will be completed and on production before the end of August.

## **Drilling**

### **Coora 1 Block**

Touchstone has completed the drilling of two wells on the Coora 1 block offsetting the successful CO-368 and CO-369 wells drilled in 2017. The two wells were drilled as step out locations to evaluate the extent of the sands observed in the offset wells and to potentially access additional undeveloped reservoirs.

The CO-372 well was spud on June 15, 2018 and reached a total depth of 6,500 feet. The rig was released on July 13, 2018, and the well was cased for oil production. Wireline logs indicated the presence of approximately 413 feet of net oil pay as follows:

Forest formation	281 feet
Cruse formation	132 feet
Total (net) oil pay	413 feet

CO-373 was spud on July 17, 2018 and reached a total depth of 5,250 feet on August 3, 2018. Wireline logs indicated the presence of approximately 240 feet of net oil pay as follows:

Forest formation	140 feet
Cruse formation	100 feet
Total (net) oil pay	240 feet

Completion operations have commenced on CO-372 and are expected to be concluded by early next week. CO-373 will be completed immediately following CO-372, with both wells expected to be on production within the next two weeks.

### **Forest Reserve WD-8 Block**

Operations are currently underway to drill the eighth well of the 2018 drilling campaign on the Company's WD-8 property. The new well will share a surface location with the previously drilled FR-1793 well and will be targeting new reserves in an offsetting fault block. The well is expected to spud next week, and upon completion, the Company will have met the minimum work obligations specified in the property's lease operating agreement through the end of 2020.

### **Ortoire Block**

The Company has identified six potential drilling locations on individual prospects within the exploration property and has initiated the drilling application process. Touchstone has commenced applications for certificates of environmental compliance with local regulatory authorities.

## **Notice of Interim Results**

The Company expects to release its unaudited interim results for the three and six months ended June 30, 2018 on August 14, 2018.

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

*"I am pleased to report that we now have drilled the first seven wells of the ten well program. With four of the seven wells yet to contribute to our current stabilized production, we are excited to increase production in the near-term. With the combination of these four wells and the remaining three to be drilled this year,*

*we are looking forward to a strong start to 2019. In addition to the existing drilling program, the Ortoire exploration opportunities and future development potential are expected to contribute to our robust growth objectives going forward.”*

### **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 news release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking information in this news release may include, but is not limited to, statements relating to current field estimated production, the quality and quantity of prospective hydrocarbon accumulations as indicated by wireline logs, the potential undertaking, timing, locations, production rates and costs of future well drilling, completion and exploration activities, and sufficiency of resources to fund future drilling and completion 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 December 31, 2017 Annual Information Form dated March 26, 2018 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 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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