



## **TOUCHSTONE ANNOUNCES OPERATIONAL UPDATE**

Calgary, Alberta – October 11, 2018 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX / LSE: TXP) announces an operational update.

### **Highlights**

- Delivered average field estimated crude oil production for the first nine days of October 2018 of 2,015 barrels per day (“bbls/d”).
- Achieved average third quarter 2018 crude oil production of 1,758 bbls/d, a 22% increase relative to the 1,437 bbls/d produced in the prior year comparative quarter.
- Drilled eight wells of the Company’s expanded 14 well 2018 development drilling campaign, all of which are currently on production.
- Commenced pre-drilling operations on four wells of the 2018 program.
- Extended our Fyzabad exploration and production licence to August 19, 2032.
- Identified five additional exploratory drilling prospects on our Ortoire exploration block, bringing the total to eleven prospective locations.

The first eight wells of the 2018 drilling campaign are currently producing a combined October 2018 field estimated average rate of 454 bbls/d. The Company is currently optimizing production on four of the eight wells.

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

FR-1792 and FR-1793 continue to be optimized following their initial May 2018 completions. FR-1792 was placed on pump on October 2, 2018 and is producing at a field estimated rate of 85 bbls/d. The well has averaged 110 bbls/day and produced approximately 16,900 barrels of crude oil since being placed on production in early May. FR-1793 was placed on pump on July 26, 2018. The Company has since optimized the well, increasing the field estimated production rate from 39 bbls/d to 72 bbls/d.

The FR-1795 well was spud on August 18, 2018 and reached a total depth of 4,700 feet on September 6, 2018. Wireline logs indicated the presence of approximately 229 feet of oil pay, 94 feet in the Forest formation and 135 feet in the Cruse formation. The well was completed on September 19, 2018 and is currently flowing up casing at a field estimated average rate of 36 bbls/d. The well is expected to be put to pump in the next ten days subject to rig availability.

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

PS-602 was producing at a rate of 46 bbls/d before being optimized on August 26, 2018 through the comingling of a secondary zone. This optimization has resulted in a stabilized current field estimated rate of 72 bbls/d.

### **Coora 2 Block**

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 observed in CO-371. The Company has applied to move uphole to the Forest formation in both wells and will commence operations once customary regulatory approvals are obtained.

## **Coora 1 Block**

CO-372 is currently producing on pump at a field estimated rate of 137 bbls/d. CO-372 has produced approximately 5,500 barrels of oil since being placed on production on August 18, 2018.

CO-373 is producing on pump at a current field estimated rate 50 bbls/d. The well has experienced high volumes of gas, which have restricted the pumps ability to operate at full capacity. New downhole equipment is expected to be installed to accommodate the higher gas volumes.

## **Remaining 2018 drilling program**

The Company has drilled eight wells to date and anticipates drilling the remaining six wells of its 2018 drilling budget prior to year-end.

We expect to spud the ninth well of our 2018 drilling program by mid-October on the WD-8 block. Thereafter, the rig is expected to move to a second surface location on WD-8 which is currently in the final stages of preparation. From this single surface location, the Company plans to drill two wells targeting newly identified fault blocks in the Cruse formation.

We are currently preparing a lease on our WD-4 property along with two drilling locations at South Palo Seco. The WD-4 location is a follow-up to the PS-602 location drilled earlier this year. The South Palo Seco locations are two commitment wells that are expected to be drilled to approximately 1,200 feet each.

## **Licence extension**

The Company received an extension of its Fyzabad exploration and production licence for an additional 14 years to August 19, 2032. The licence has no minimum work commitments, and the Company has identified two infill drilling location on the property.

## **Ortoire Block**

We have identified seven potential drilling locations on individual prospects within the exploration property along with four additional follow-up opportunities. The Company has received certificates of environmental compliance on four of the 11 locations and is proceeding with applications on the remaining prospects.

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

*"I am pleased to report that we have exceeded our near-term production target of 2,000 barrels per day. The team has established a solid production base with our focus now on the six additional wells that we expect to drill prior to year-end. With the majority of our drilling obligations satisfied, the advantage of having our large diversified asset base allows us to focus on the assets that provide the greatest shareholder returns. We continue to refine exploration prospects on our Ortoire property and are very excited about its future developmental potential."*

## **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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