



TOUCHSTONE ANNOUNCES SIGNIFICANT OIL DISCOVERY AT CASCADURA

CALGARY, ALBERTA (December 16, 2019) - Touchstone Exploration Inc. ("Touchstone", "we", "our", "us" or the "Company") (TSX, LSE: TXP) announces that the Company has made a significant crude oil discovery with the Cascadura-1ST1 well on the Ortoire exploration block, onshore in the Republic of Trinidad and Tobago.

HIGHLIGHTS

- Cascadura-1ST1 cased hole wireline logs indicated significant prospective oil pay totaling 1,037 feet from 1,374 feet of gross sand.
- 80 net feet of oil pay was encountered in the regional Lower Cruse sands at measured depths between 1,030 and 2,134 feet.
- 180 net feet of oil pay was encountered in an Upper Herrera Gr7c thrust sheet at measured depths between 4,198 and 4,994 feet. These sands were not previously encountered in any offset wells in the area.
- 600 net feet of oil pay was encountered in a Middle Herrera Gr7c thrust sheet at measured depths between 5,516 and 6,162 feet. These sands were also not reported in any offset wells previously drilled in the area.
- 177 net feet of oil pay was encountered in a Lower Herrera Gr7a thrust sheet at measured depths between 6,162 and 6,350 feet, which were one of the Company's targeted sands as identified in the offsetting well.

The Company expects to complete and test the Cascadura-1ST1 well in the first quarter of 2020. Cascadura is the second prospect of four on the Ortoire block with initial test results at COHO-1 previously released by the Company on November 18, 2019.

Paul R. Baay, President and Chief Executive Officer, commented:

"The well results far exceed any pre-drill expectations. This well is not only a significant discovery and milestone for Touchstone, but we believe it also establishes a new development stage for onshore drilling in Trinidad. In the new year, we expect to test each zone independently in order to better understand the economic potential of the prospective oil sands, and if the findings are positive, it will set up an expansive development drilling program in the area."

Cascadura Results

As previously reported, the Cascadura-1 exploration well (Touchstone 80% working interest operator, Heritage Petroleum Company Limited 20% working interest) was spud on October 4, 2019 using Well Services Petroleum Ltd. Rig #80. After encountering mechanical issues with the drilling rig, the well was sidetracked beneath surface casing and was drilled to a total measured depth of 6,350 feet (6,100 feet true vertical depth) on December 9, 2019.

The well was originally targeted to be drilled to 8,150 feet however, while drilling the well, we encountered several distinct high-pressure hydrocarbon kicks that were controlled through the use of high-weight drilling fluid and pressure control. For safety reasons, the Company decided to cease drilling operations and case the well to preserve the significant oil saturated sand reservoirs which had been encountered to total depth. As a result of the high pressures and mud weights we were unable to use a conventional open hole logging tool; Schlumberger was on site on December 12 and completed cased hole logging operations using their Pulsed Neutron Extreme tool on December 15, 2019. All information reported herein was based on cased hole logging data which correlated with drilling samples.

The Cascadura-1ST1 cased hole well logs and drilling samples indicated oil pay in the regional Lower Cruse Formation as well as three significant oil-bearing packages in the Herrera member of the Mid-Miocene aged Ciperó formation. While drilling the surface and intermediate sections of the well, several oil bearing sands in the Lower Cruse formation were encountered. A total of 220 gross (80 net) feet of prospective pay was logged at depths between 1,030 and 2,134 feet. These sands correlate to sands observed in the offset BW-5 well but they were wet in the structurally lower offset. The Lower Cruse Formation was not considered to be a target in the Cascadura prospect and the Company will evaluate the potential of these secondary sands at a future date.

The primary target at Cascadura were the turbiditic Herrera sands and the Cascadura-1ST1 well encountered a total of 1,154 gross sand in the Herrera of which 957 net feet is interpreted to be oil bearing. These sand packages appear to occur in unique and separate fault sheets. 320 gross feet of Herrera Gr7c sands were encountered in the upper thrust sheet with 180 net feet bearing oil at depths between 4,198 and 4,994 feet. An additional 646 gross feet of Herrera Gr7c sands were identified in the middle thrust sheet, with 600 net feet of oil-bearing sands found at depths between 5,516 and 6,162 feet. The sands found in the upper and middle thrust sheets do not appear to correlate to any known historical well data in the area. In the lower thrust sheet, which was a primary target zone, logging and drill sample results indicated the presence of 188 gross feet of Herrera Gr7a sands with 177 net feet identified as oil-bearing. These sands were found at depths between 6,162 and 6,350 feet and correlated to a sand package which was present in the offsetting BW-5 well originally drilled in 1958. The Cascadura well is calculated to be 200 feet up-structure from the original BW-5 well.

In the first quarter of 2020, the Company expects to initiate a comprehensive completion and testing plan to evaluate the economic potential of the prospective oil sands.

The Cascadura-1ST1 well is the second of four minimum commitment earning exploration wells under Touchstone's Ortoire Exploration and Production Licence. The Company has an 80% working interest in the licence but is responsible for 100% of the drilling, completion and testing costs associated with the initial four exploration wells. Heritage Petroleum Company Limited holds the remaining 20% working interest.

Coho-1

The company will be providing further details on the Coho-1 testing and pressure data results prior to the end of the week as the data is currently being analysed by the Company's independent engineering firm.

Broker Update

GMP FirstEnergy is no longer the Company's joint broker. Shore Capital Stockbrokers Limited is currently the Company's sole broker.

About Touchstone Exploration Inc.

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 announcement may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking information in this announcement may include, but is not limited to, statements with respect to the quality and quantity of prospective hydrocarbon accumulations; the Company's exploration plans and strategies, including with respect to future production testing and the timing thereof; and the sufficiency of resources and available financing to fund future exploration testing 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 2018 Annual Information Form dated March 26, 2019 which has been filed on SEDAR and can be accessed at www.sedar.com. The forward-looking statements contained in this announcement 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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