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**THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY NEW COMMON SHARES OF TOUCHSTONE EXPLORATION INC. IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.**



### **TOUCHSTONE CLOSES US\$11.6 MILLION (£9.0 MILLION) PRIVATE PLACEMENT**

CALGARY, ALBERTA (February 20, 2020) – Touchstone Exploration Inc. ("Touchstone", "we", "us" or the "Company") (TSX / LSE: TXP) announces that further to the Company's announcement on February 19, 2020 regarding the proposed placing (the "Placing"), the Company has placed 22,500,000 new common shares of no par value (the "Placing Shares") with institutional investors in the United Kingdom at a price of 40 pence per Placing Share (approximately C\$0.68) (the "Placing Price"), raising gross proceeds of approximately US\$11.6 million (£9.0 million). The Placing Price represents a 10.1 percent and 3.5 percent discount to 44.47 pence and 41.46 pence, being the five and ten day volume weighted average price of the Company's common shares on the AIM market of the London Stock Exchange ("AIM") as of February 18, 2020, respectively. Shore Capital acted as sole bookrunner in connection with the Placing and Auctus Advisors acted as placing agent.

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

*"The results of the first two wells drilled at Ortoire have exceeded our expectations, and as a result the Board has decided to complete the Placing in order to accelerate exploration drilling on the property. We are delighted by the support we have received from new and existing investors. We continue to thank our shareholders for their ongoing support, and we look forward to continuing to update shareholders as the exploration program continues."*

#### **Listing and Voting Rights**

Application has been made for the Placing Shares, which will rank *pari passu* with the Company's existing issued share capital, to be admitted to trading on the Toronto Stock Exchange ("TSX") and AIM ("Admission"). Subject to the receipt of required approvals from the TSX and AIM, the Placing Shares are expected to be issued and admitted to trading on February 26, 2020. The Placing Shares will represent approximately 12.3 percent of the total issued share capital in the Company on Admission.

All Placing Shares being issued by the Company pursuant to the Placing will be freely transferable outside of Canada; however, these shares are subject to a four-month and one day restricted hold period in Canada which will prevent such Placing Shares from being resold in Canada, through a Canadian exchange or otherwise, during the restricted period without an exemption from the Canadian prospectus requirement.

Immediately following Admission of the Placing Shares, the Company's issued share capital will consist of 183,203,095 common shares. The Company does not hold any common shares in treasury. This figure

may be used by shareholders to determine if they are required to notify their interest in, or a change to their interest in, the Company.

### **Related Party Transaction**

The Placing includes a subscription by North Energy ASA, an 8.9 percent shareholder of the Company, in respect of 3,750,000 Placing Shares. Following Admission, North Energy ASA will hold 17,990,250 common shares, representing 9.8 percent of the enlarged share capital of the Company.

The participation in the Placing by North Energy ASA is considered to be a related party transaction under Rule 13 of the AIM Rules for Companies. The Independent Directors consider, having consulted with the Company's Nominated Advisor, Shore Capital, that the terms of the related party transactions are fair and reasonable insofar as shareholders are concerned.

### **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".

For further information about Touchstone, please visit our website at [www.touchstoneexploration.com](http://www.touchstoneexploration.com) or contact:

#### **Touchstone Exploration Inc.**

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

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### **Advisories**

For reference purposes in this announcement, one British pound has been translated into US dollars at a rate of 1.00 to 1.29 and Canadian dollars at a rate of 1.00 to 1.71.

### **Forward-Looking Statements**

Certain information provided in this announcement may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this announcement include, but are not limited to, those in respect of the satisfaction of all required conditions and approvals (including approvals from the TSX and AIM) for completion of the Placing; the Company's intended use of the net proceeds of the Placing, including the potential undertaking, timing, number, locations and costs of future exploration and development well drilling and well recompletions; and the sufficiency of resources and available financing to fund future exploration and development well drilling and well recompletion 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, 2018 Annual Information Form dated March 26, 2019 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 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.

### ***Important Notice***

No prospectus, offering document or admission document will be made available in connection with the matters contained in this announcement.

In any EEA Member State that has implemented the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation"), as amended, and the United Kingdom (together with any implementing measures in any Member State and the United Kingdom), this announcement is only addressed to and directed at persons in such member states and the United Kingdom who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation ("Qualified Investors"). In addition, in the United Kingdom, this announcement is addressed and directed only at Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "Relevant Persons"). Any investment or investment activity to which this announcement relates is available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement does not itself constitute an offer for sale or subscription of any securities in the Company. Persons distributing this announcement must satisfy themselves that it is lawful to do so. This announcement is for information only and does not constitute an offer to sell, or a solicitation of an offer to buy or otherwise acquire, any securities in any jurisdiction. Persons needing advice should consult an independent financial adviser.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

Neither this announcement nor any copy of it may be taken or transmitted, published or distributed, directly or indirectly, in whole or in part, in, into or from the United States of America (including its territories and possessions, any state of the United States of America (the "United States" or the "US")), Australia, Japan or the Republic of South Africa or transmitted, distributed to, or sent by, any national or resident or citizen of any such countries or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction (each a "Restricted Jurisdiction"). Any failure to comply with this restriction may constitute a violation of United States, Australian, Japanese or South African securities laws.

This announcement is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA") by, Shore Capital or any other person authorised under FSMA. This announcement is being distributed and communicated to persons in the United Kingdom and Canada only in circumstances in which section 21(1) of FSMA does not apply. No prospectus will be made available in connection with the matters contained in this announcement and no

such prospectus is required (in accordance with the Prospectus Regulation) to be published. Persons needing advice should consult an independent financial adviser.

This announcement does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or other securities in any Restricted Jurisdiction. The Placing and the distribution of this announcement and other information in connection with the Placing in certain jurisdictions may be restricted by law and persons into whose possession this announcement and any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken by the Company, Shore Capital and Corporate Limited, Shore Capital Stockbrokers Limited (together with Shore Capital and Corporate Limited, "Shore Capital") or any of their respective directors, officers, partners, agents, employees or affiliates that would permit an offer of the Placing Shares or possession or distribution of this announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this announcement are required to inform themselves about and to observe any such restrictions.

The Placing Shares referred to in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Placing Shares have not been and will not be approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

The information contained in this announcement is for background purposes only and does not purport to be full or complete.

No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. The Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Placing or any transaction or arrangement referred to in this announcement.

Any indication in this announcement of the price at which the Placing Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This announcement has not been approved by any competent regulatory authority. Shore Capital and Corporate Limited ("SCC") is nominated advisor to the Company. SCC, which is authorised and regulated by the Financial Conduct Authority ("FCA"), is acting exclusively for the Company and no one else in connection with the proposed Placing and will not be acting for any other person or otherwise responsible to any person other than the Company for providing the protections afforded to clients of SCC or for advising any other person in respect of the Placing. Shore Capital Stockbrokers Limited ("SCS") has been appointed as brokers to the Company in respect of the Placing. SCS, which is authorised and regulated by the FCA, is acting exclusively for the Company and no one else in connection with the proposed Placing and will not be acting for any other person or otherwise responsible to any person other than the Company for providing the protections afforded to clients of SCS or for advising any other person in respect of the Placing.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Shore Capital or by any of their respective affiliates or its affiliates' agents, directors, officers and employees, respectively, as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

This announcement does not constitute a recommendation concerning any investor's options with respect to the Placing. The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

### **Information to Distributors**

Solely for the purposes of Article 9(8) of Commission Delegated Directive 2017/593 (the "Delegated Directive") regarding the responsibilities of manufacturers under the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with the target market for the Placing of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all eligible distribution channels for dissemination of the Placing Shares, each as set out in this announcement, as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Shore Capital will only seek to procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.