



TOUCHSTONE PROVIDES OPERATIONAL UPDATE

Calgary, Alberta – July 16, 2014 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX: TXP) is pleased to provide an operations update.

Highlights:

- Achieved average field estimated production for the first 13 days of July of 2,275 barrels per day; 1,769 barrels per day in Trinidad and 506 barrels per day in Canada
- Drilled and cased four (3.16 net) wells in Trinidad
- Established positive operating cash flows from our Kerrobert property in June 2014

Trinidad Operations:

To date the Company has successfully drilled four (3.16 net) wells in total. Two (2.0 net) wells were drilled on the Forest Reserve WD-8 Block, one (1.0 net) well on the Grand Ravine WD-4 Block, and one (0.16 net) well on the Cory Moruga Block.

The two wells on our WD-8 property were drilled to total measured depths of approximately 4,000 feet. The first well (FR-1747) encountered 302 feet of net oil pay of which 170 feet is in the Lower Forest formation, 55 feet in the Upper Cruse, 18 feet in the Middle Cruse and 59 feet in the Lower Cruse formation. The well will initially be completed in the Lower Cruse formation. The second well (FR-1748) encountered in excess of 280 feet of net oil pay in the shallow section, of which 110 feet is in the Lower Forest, 85 feet in the Upper Cruse, and 85 feet in the Middle Cruse formation. Additional oil pay in the deeper Lower Cruse section will be quantified following cased hole logging operations.

The well on our WD-4 property (PS-579) was drilled to a total depth of 6,800 feet. The well encountered 585 feet of net oil pay of which 231 feet is in the Upper Forest formation, 313 feet in the Lower Forest formation and 41 feet in the Upper Cruse formation.

The Cory Moruga (16.2% non-operated working interest) well successfully reached its targeted total depth of approximately 6,600 feet. Testing and completion programs are currently being drafted by the contract operator for execution in the near future.

With these results, Touchstone remains on pace to complete our intended 21.3 well drilling program in 2014.

In the quarter a lease automatic custody transfer (“LACT”) unit on our WD-8 property became operational. The LACT unit allows for greater production capacity in the field and will no longer restrict production capabilities at the wellheads. Similar upgrades to the facilities at Coora were successfully installed and are currently awaiting regulatory certification.

Touchstone continues to finalize both of its exploration and production licenses on our East Brighton and Ortoire properties. The Company has been informed by the government of Trinidad that the execution of both licenses will occur prior to the end of the third fiscal year quarter.

Canadian Operations:

Kerrobert, SK

During June, the Kerrobert property produced approximately 410 barrels of oil per day. The Company has undergone a cost-cutting strategy at the property to improve field netbacks. As a result, second quarter operating results for the property are expected to break even as the Company has reduced air injection costs and the associated operating expenses.

The Company is currently evaluating both conventional opportunities and thermal methods including cyclical steam stimulation (“CSS”) and steam-assisted gravity drainage on additional geological reservoirs at the Kerrobert property that have previously been overlooked. Touchstone has made an application to begin a pilot steam project at Kerrobert which could commence in early 2015 using existing processing facilities.

On July 15, 2014 the Company secured 16 (8.0 net) additional sections of land in the Dodsland/Kerrobert area. This brings the Company’s total Viking acreage to 18.3 (10.1 net) sections. In consideration for the mineral rights, the Company issued 1.3 million common shares plus nominal cash consideration.

Dawson, AB

In the second quarter the Company continued operations on a CSS pilot project in the Bluesky formation at Dawson with two (2.0 net) wells being placed on production in early June. These wells were switched over to oil production following six months of steam injection and are in the early stages of production. As modeled, initial recovery was predominantly water, however oil cuts have rapidly increased in both operated wells and the Company achieved a combined June 30, 2014 field estimated exit rate of approximately 110 barrels of oil per day. The Company will continue to monitor the results of this initial CSS production cycle and will continue future development planning for the Dawson property based on the results of the pilot.

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 and western Canada. The Company’s common shares are traded on the Toronto Stock Exchange under the symbol “TXP”.

For further information please contact:

Mr. Todd Brown, Chief Operating Officer;
Mr. Paul R. Baay, Chief Executive Officer; or
Mr. Cameron MacDonald, Investor Relations Officer
Telephone: (403) 750-4400

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operations and other factors, many of which are beyond the control of Touchstone. There is no representation by Touchstone that actual results achieved during the forecast period will be the same in whole or in part as those forecasted. Except as may be required by applicable securities laws, Touchstone assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.