

TSX : TXP | AIM : TXP

# CORPORATE PRESENTATION

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***Our Growth Journey:*** *Evolving to a fully-funded, full-cycle exploration and production company*



# WHERE WE HAVE BEEN

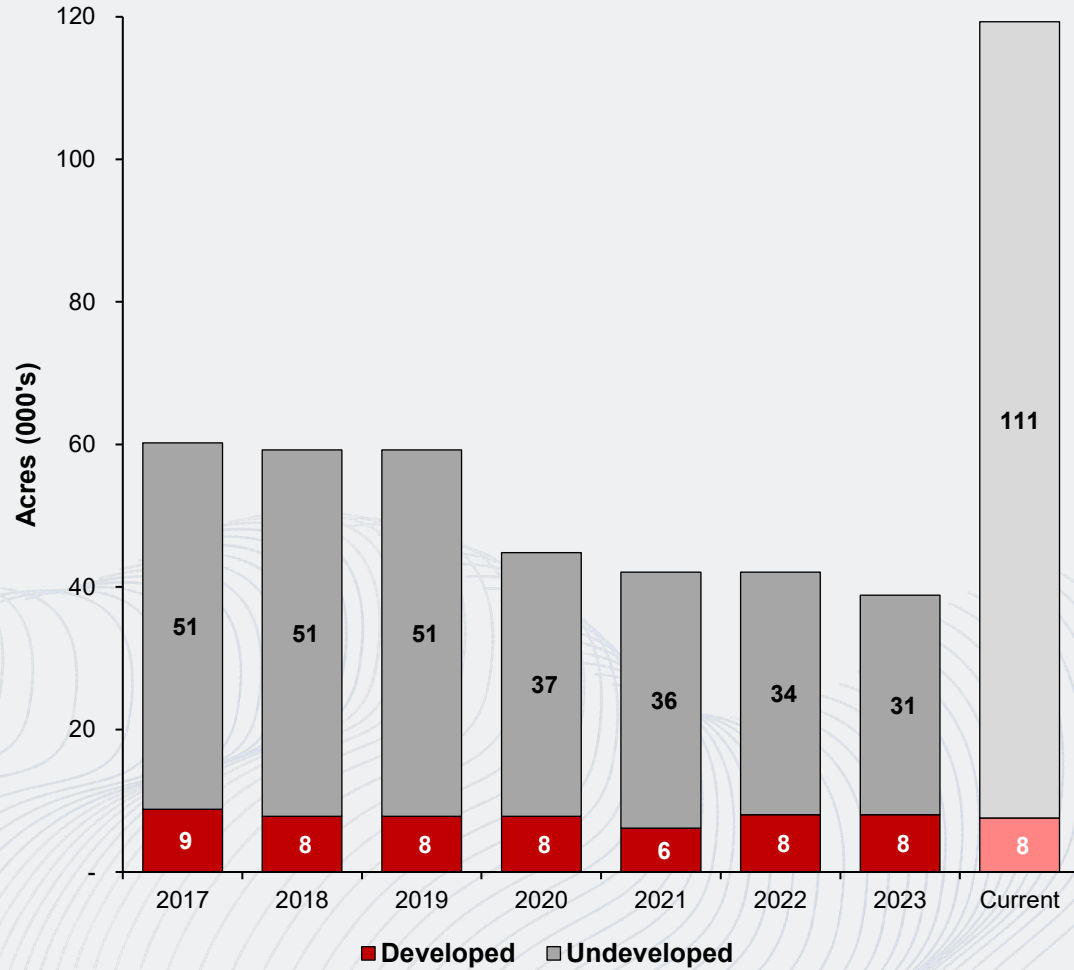
*We have been putting the pieces together*





# Where We Have Been: *Land and capital expenditures*

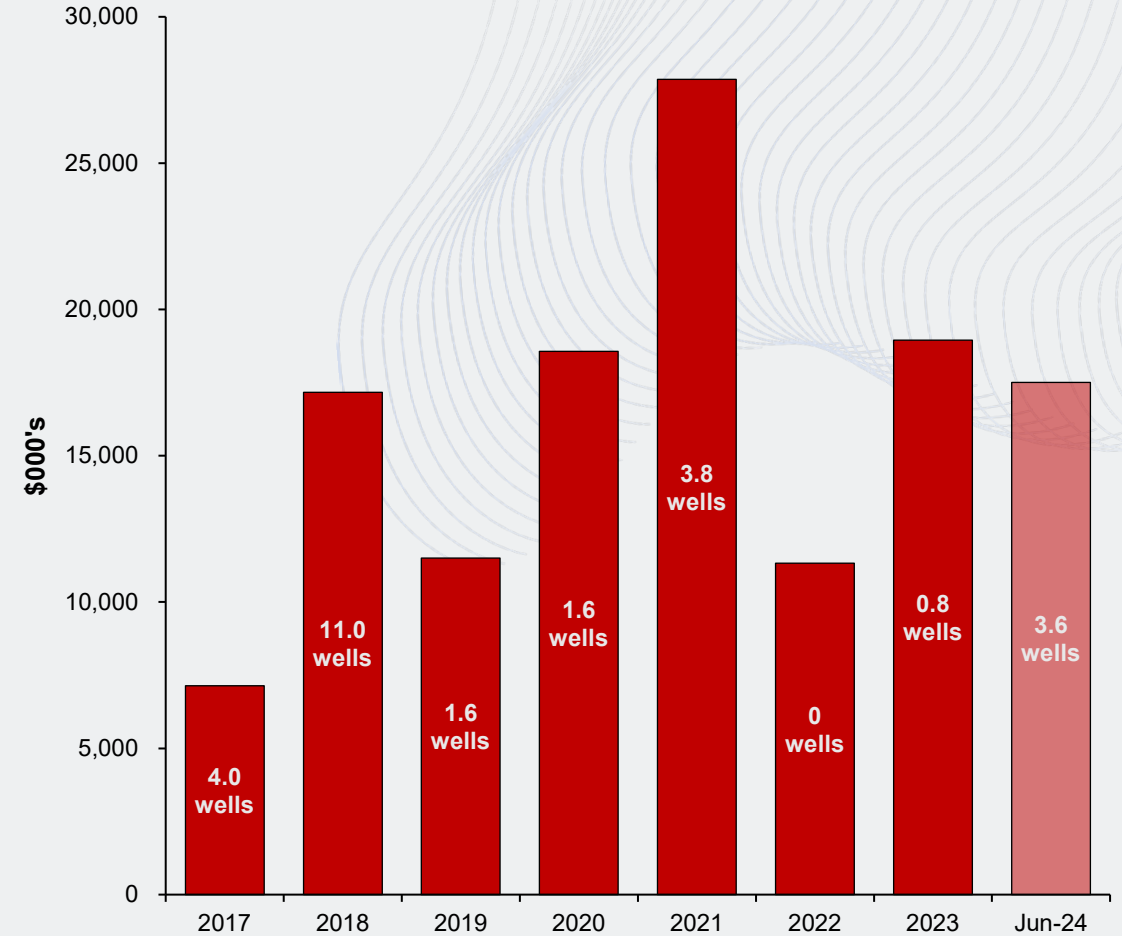
**Working Interest Land Holdings**



Note:

(1) Non-GAAP financial or other measure. Refer to "Advisories: Non-GAAP Financial Measures".

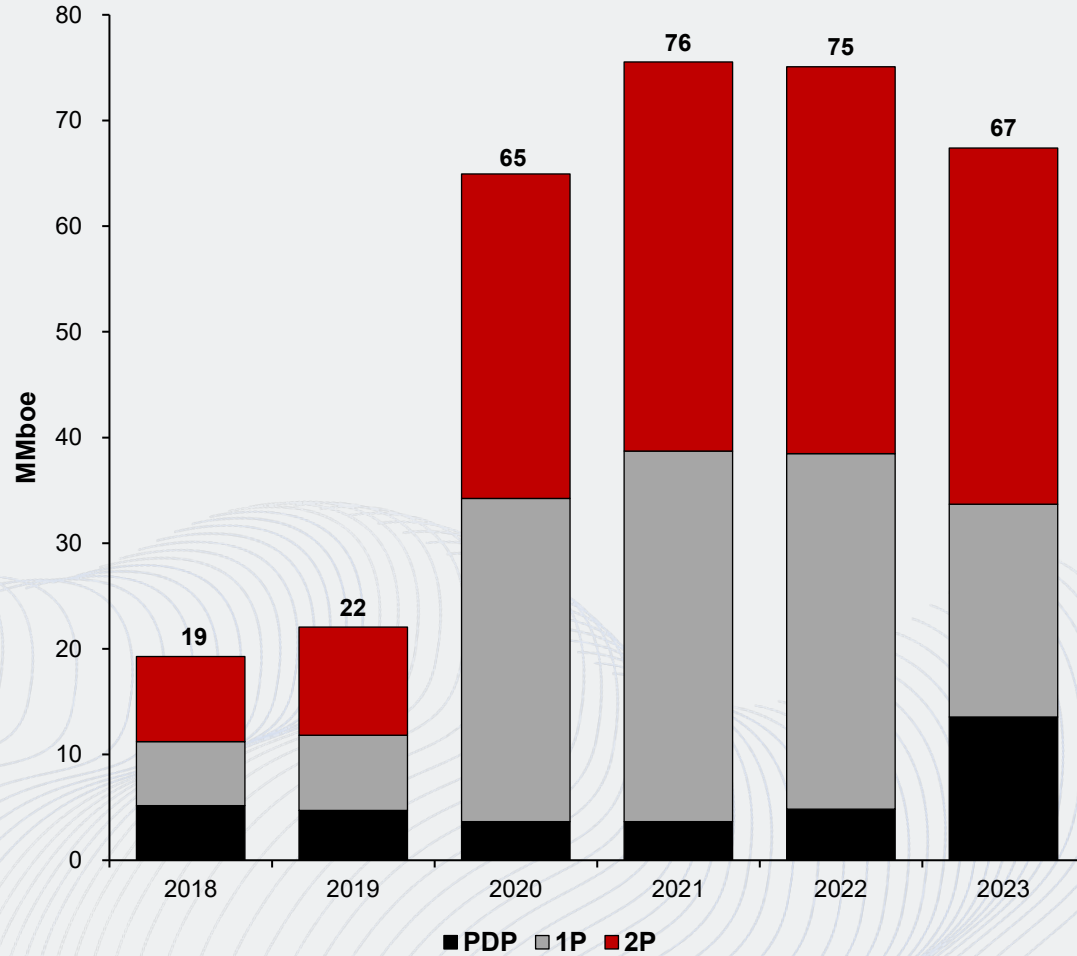
**Net Capital Expenditures<sup>(1)</sup> and Net Wells Drilled**



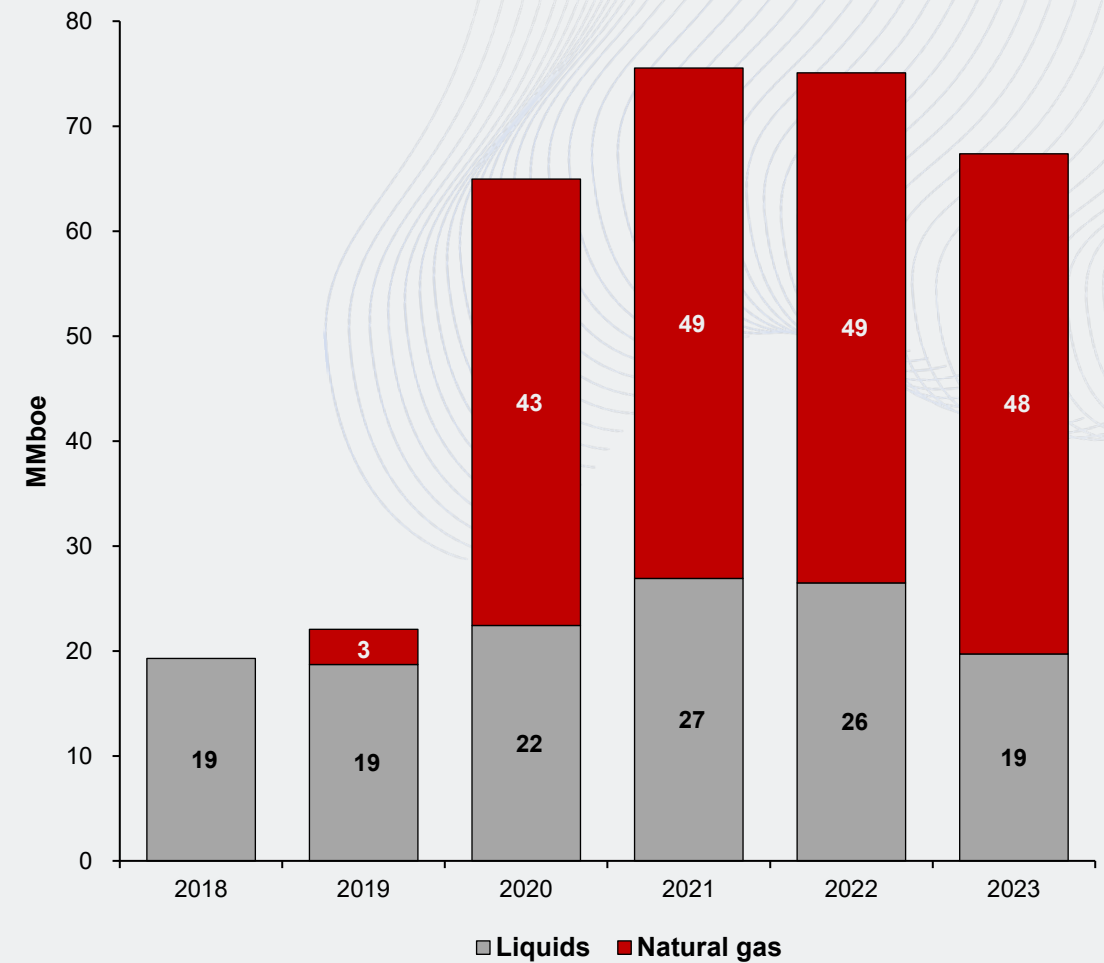


# Where We Have Been: *Reserves*

Gross Reserves<sup>(1)</sup> by Category



2P Gross Reserves<sup>(1)</sup> by Product Type



Note:

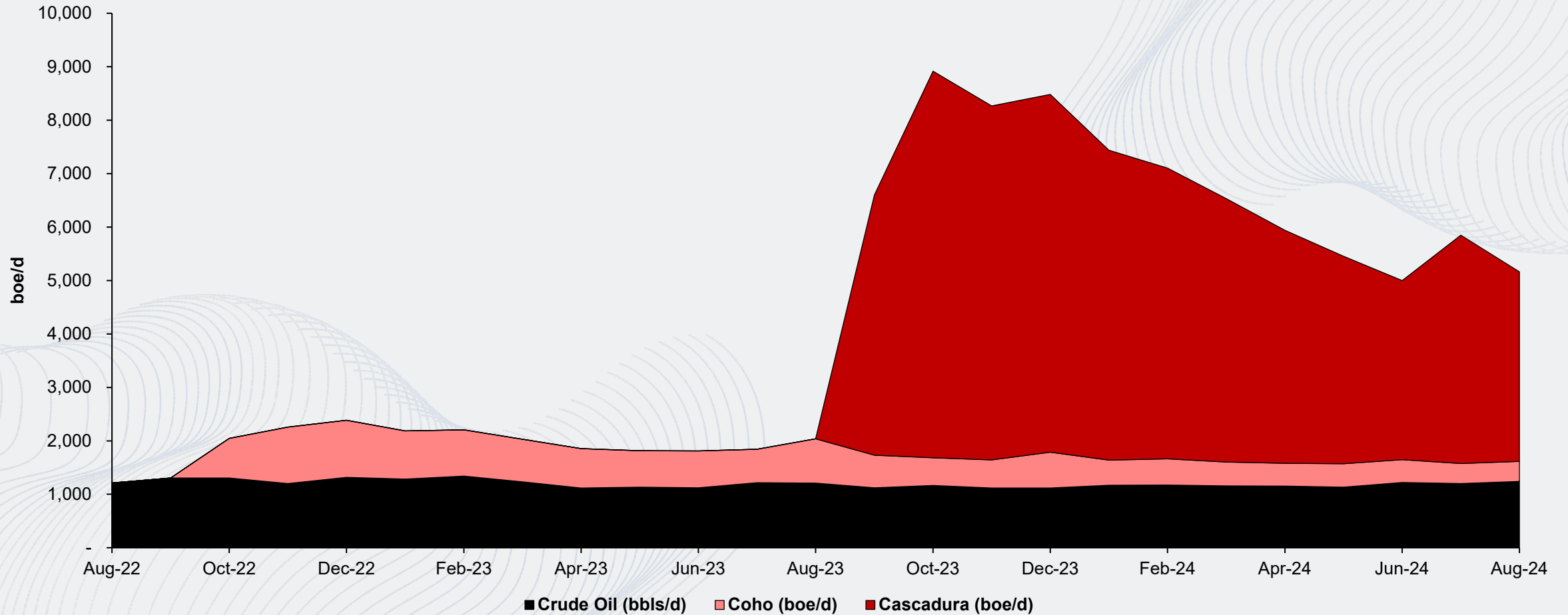
(1) Based on the GLJ Ltd. independent reserves evaluations. Gross reserves are the Company's working interest share before the deduction of royalties. See "Advisories: Oil and Gas Reserves" and "Advisories: Oil and Gas Measures".





# Where We Have Been: *Corporate net production*

Corporate Net Production

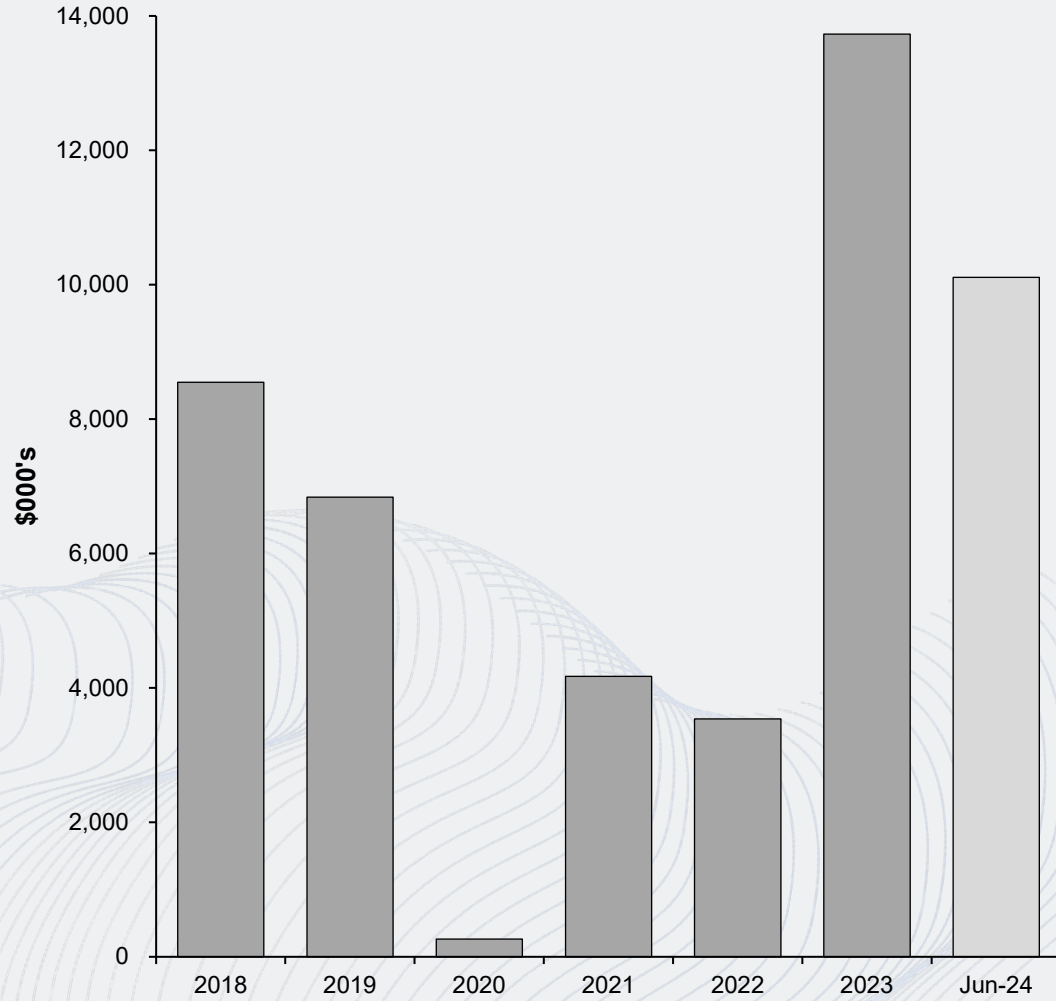




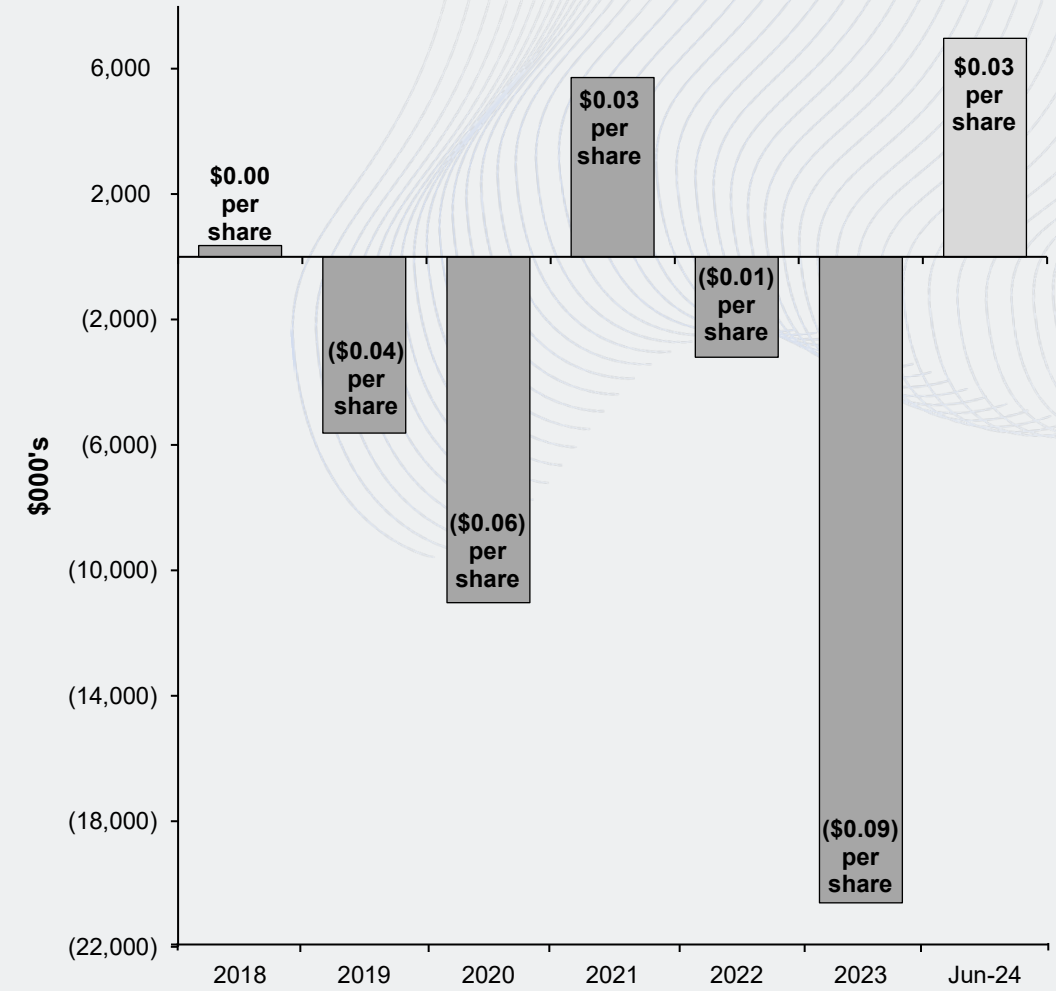


# Where We Have Been: *Funds flow from operations and net earnings per share*

**Funds Flow from Operations**



**Net Earnings (Loss)<sup>(1)</sup>**



Note:

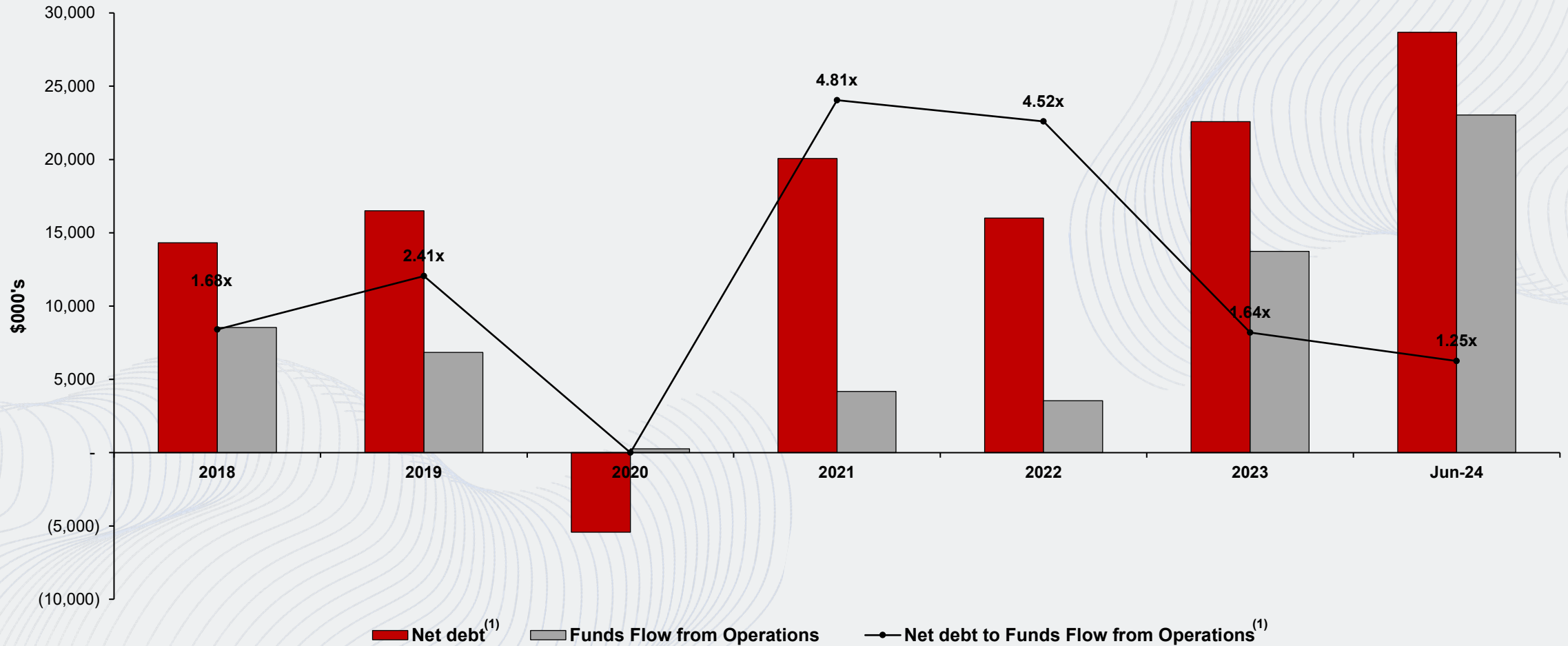
(1) Basic and diluted per share information.





# Where We Have Been: *Net debt to funds flow from operations*

Net Debt to Funds Flow From Operations



Note:

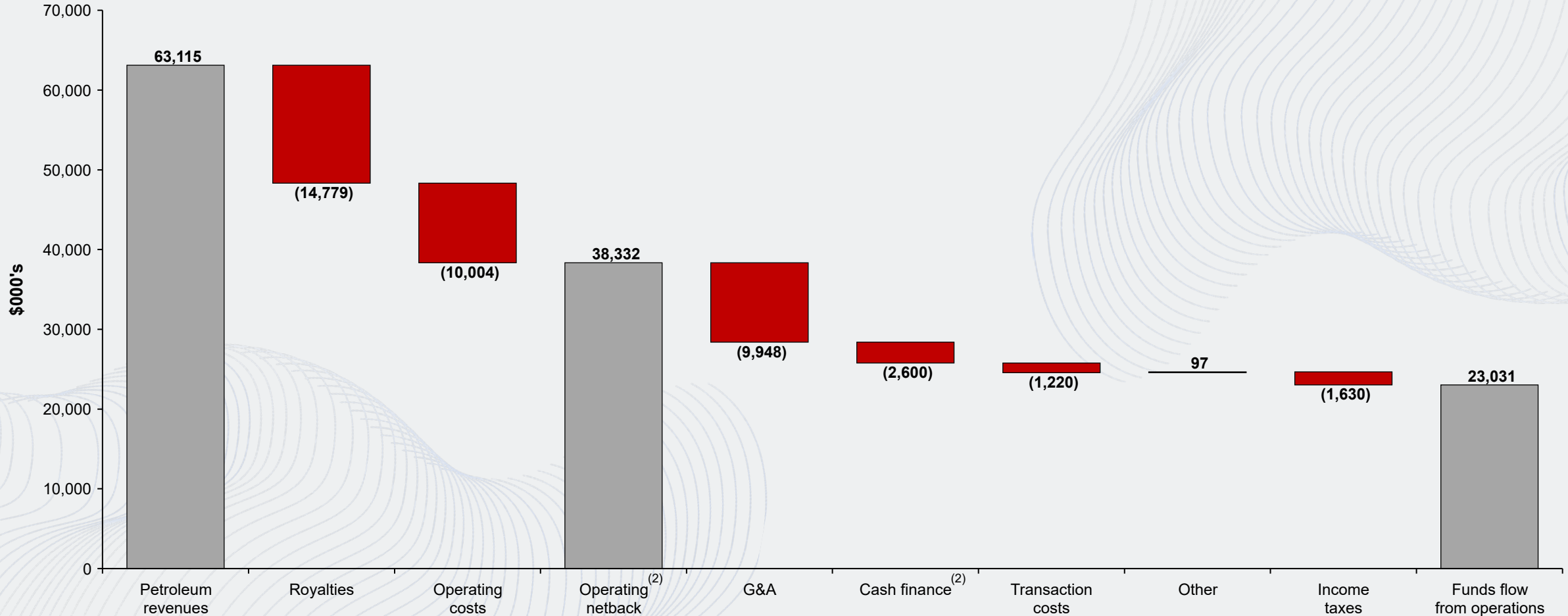
(1) Non-GAAP financial or other measure. Refer to "Advisories: Non-GAAP Financial Measures".





# Where We Have Been: *Trailing twelve-month funds flow from operations*

Trailing Twelve-Month Funds Flow from Operations as at June 30, 2024<sup>(1)</sup>



Notes:

(1) Financial figures above represent unaudited trailing twelve-month figures as at June 30, 2024, being the sum of results during the six months ended June 30, 2024 and the July 1, 2023 through December 31, 2023 interim period.

(2) Non-GAAP financial or other measure. Refer to "Advisories: Non-GAAP Financial Measures".





# WHERE WE ARE NOW

*We have been evolving and growing*





# Touchstone at a Glance



## ***Largest independent onshore producer in Trinidad***

Market capitalization<sup>(1)</sup>

C\$141.9 million

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### **Six months ended June 30, 2024 average daily production**

Crude oil and liquids (*bbls/d*)

1,343

Natural gas (*Mcf/d*)

29,279

Average daily production (*boe/d*)

6,223

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2023 Gross 2P reserves<sup>(2)</sup> (*Mboe*)

67,379

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2P Reserve life index<sup>(2)</sup>

~14.4 years

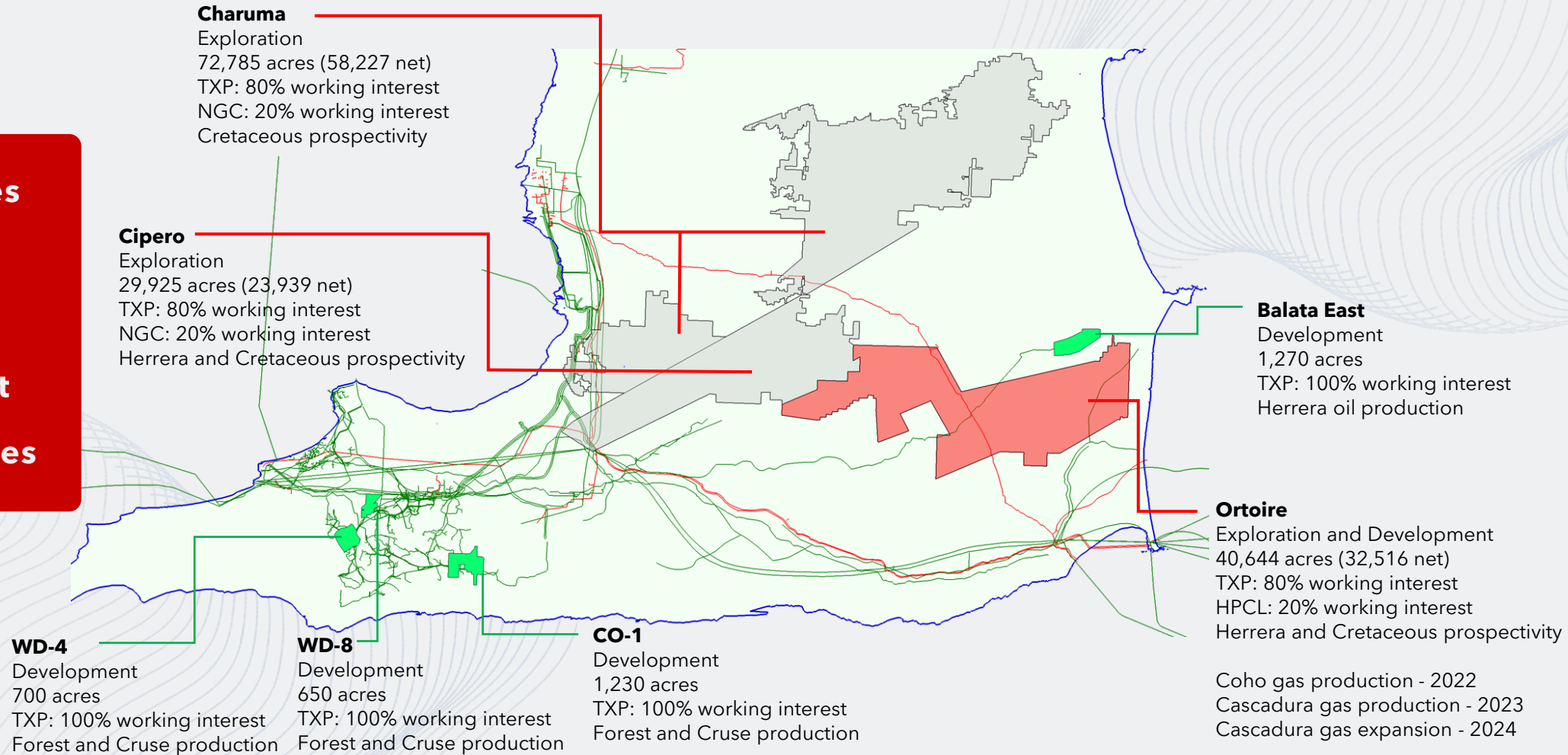
Notes:

- (1) Based on 236,460,661 outstanding shares multiplied by the closing share price on the TSX on September 30, 2024, being C\$0.60 per share.  
(2) Based on the December 31, 2023 GLJ Ltd. independent reserves evaluation. Gross reserves are the Company's working interest share before the deduction of royalties. See "Advisories: Oil and Gas Reserves" and "Advisories: Oil and Gas Measures".



# Acreage: *We have the land*

- ❖ 7 core properties
- ❖ 100% operated
- ❖ 81% average working interest
- ❖ 119,307 net acres







# Distribution and Marketing: *We have the market*

❖ **4 Bcf/d total potential demand**



## **Point Lisas**

- Petrochemical facilities
- Potash Corp and Yara - Ammonia
- Methanex - Methanol
- Arcelor Mittal - Steel



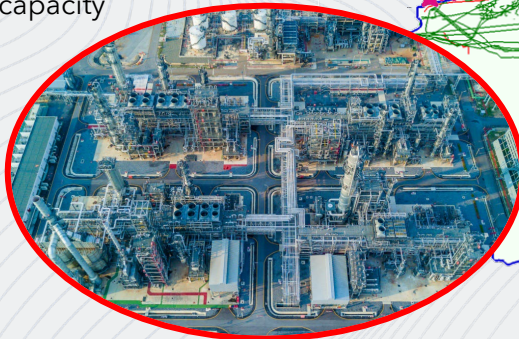
## **Pointe-A-Pierre - HPCL**

- Oil storage facility
- Liquids distribution port



## **Point Fortin - Atlantic LNG**

- Liquefied Natural Gas (LNG) terminal
- Four-train liquefaction facility
- 100,000 cubic-meter per day capacity





# Facilities: *We have the capacity*

## Two Operated Natural Gas Plants

- ❖ Cascadura 140 MMcf/d natural gas capacity  
4,000 bbls liquids storage
- ❖ Coho 24 MMcf/d capacity

## Four Operated Oil Batteries

- ❖ Balata East 3,100 bbls
- ❖ WD-4 8,100 bbls
- ❖ WD-8 2,050 bbls
- ❖ CO-1 4,200 bbls

**Total capacity = 48,783 boe/d**

### Cascadura A Natural Gas Facility

Commissioned September 2023  
Original Design:  
90 MMcf/d natural gas capacity  
4,000 bbls NGL storage  
800 bbls water storage

Facility expansion October 2024:  
140 MMcf/d natural gas capacity  
4,000 bbls NGL storage  
800 bbls water storage



### Balata East

Oil battery  
Sales point for Cascadura liquids  
6" sales pipeline (~18km)  
600 bbls processing  
2,500 bbls sales



### Coho Natural Gas Facility

Commissioned October 2022  
24 MMcf/d natural gas capacity  
800 bbls liquids storage



### WD-4

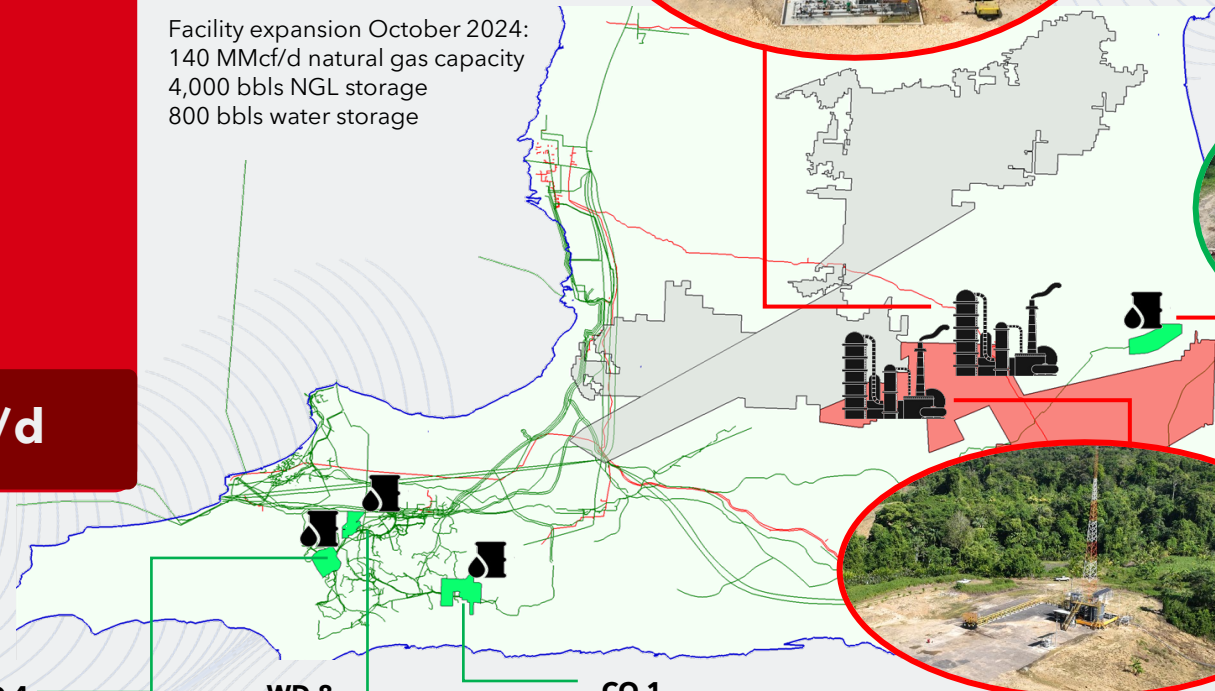
2,100 bbls processing  
6,000 bbls sales

### WD-8

1,300 bbls processing  
750 bbls sales

### CO-1

2,000 bbls processing  
2,200 bbls sales

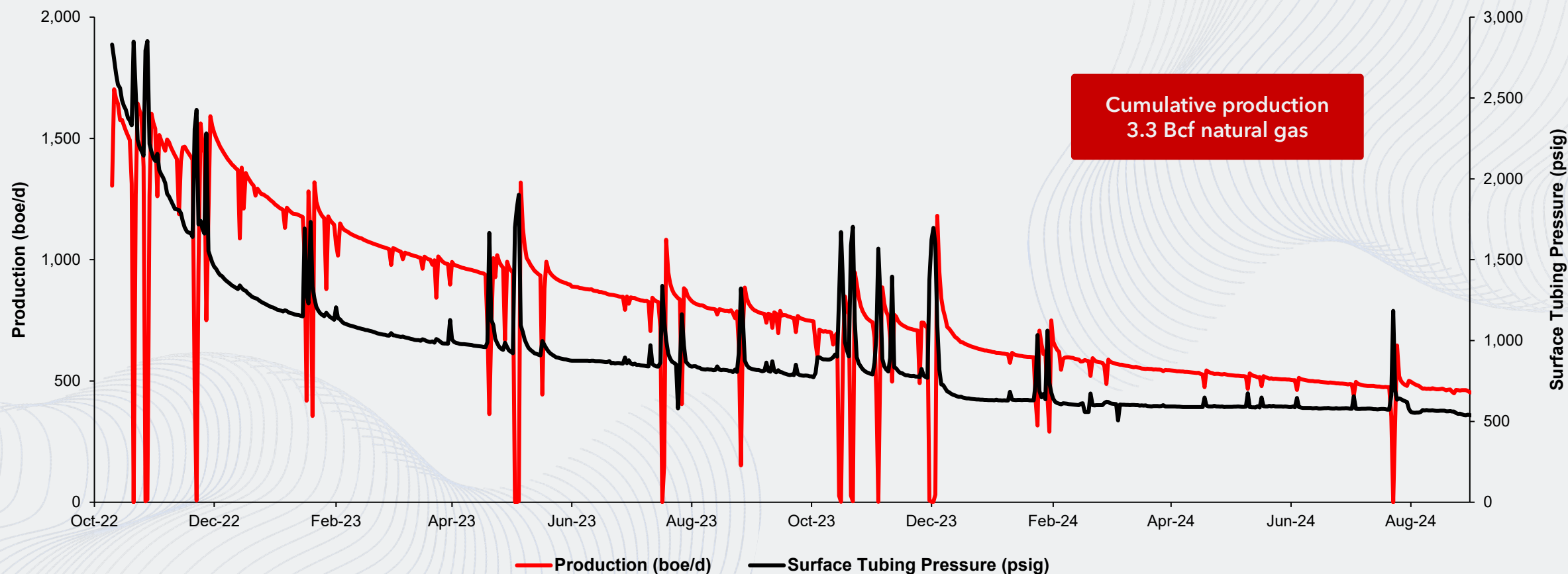






# Production History: *Herrera (Coho)*

Coho-1 Gross Sales Volumes



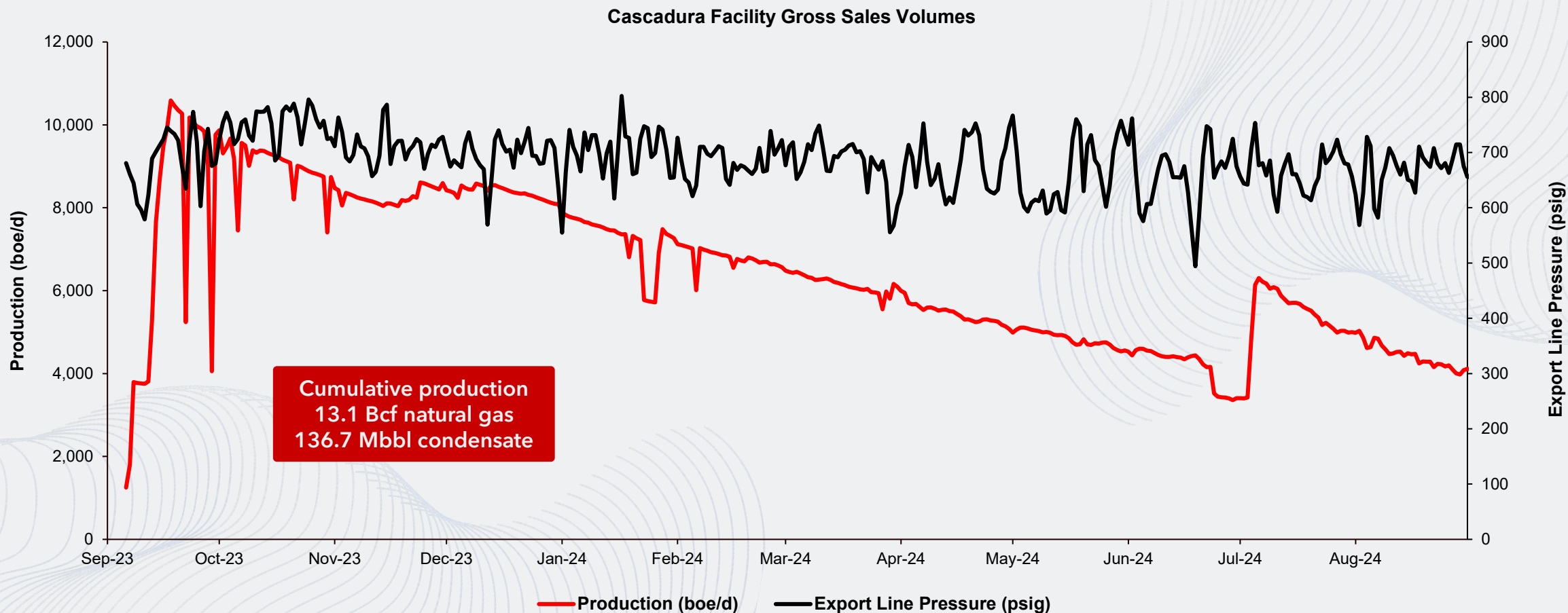
Inception to date operating netback<sup>(1)</sup> as at June 30, 2024 = \$2.7MM

Note:

(1) Non-GAAP financial or other measure. Refer to "Advisories: Non-GAAP Financial Measures". Represents Touchstone's net operating netback from October 2022 through June 30, 2024.



# Production History: *Herrera (Cascadura facility)*



**Inception to date operating netback<sup>(1)</sup> as at  
June 30, 2024 = \$24.7MM**

**Inception to date capital expenditures<sup>(1)</sup> as at  
June 30, 2024 = \$25.9MM**

Note:

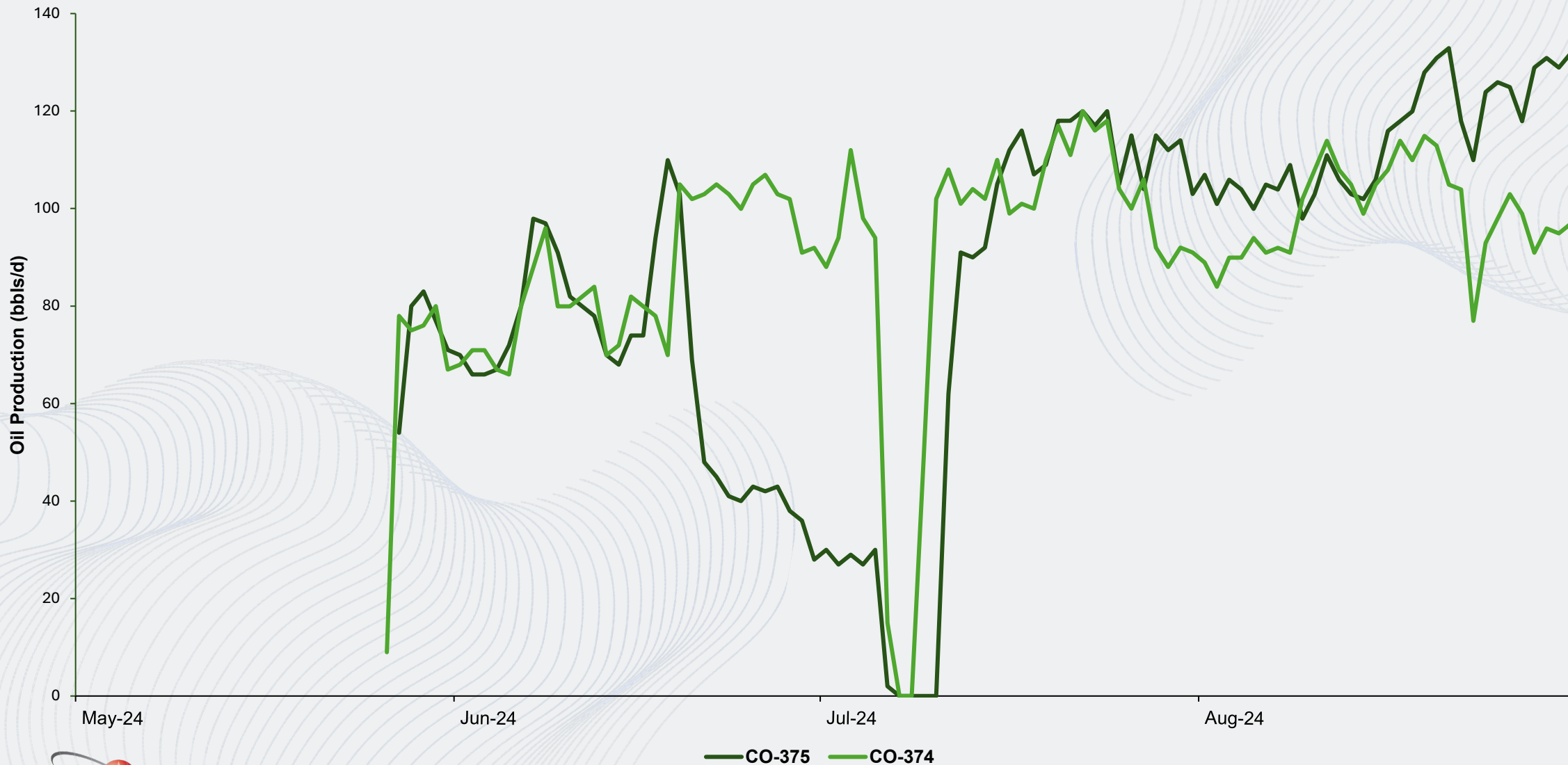
(1) Non-GAAP financial or other measure. Refer to "Advisories: Non-GAAP Financial Measures". Represents Touchstone's net operating netback from September 2023 through June 30, 2024 and net capital expenditures incurred from July 2019 through June 30, 2024.





# Production History: *CO-1 2024 new wells*

CO-1 2024 New Drill Gross and Net Sales Volumes





# WHERE WE ARE GOING

*We are ready*



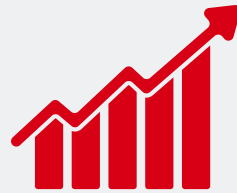
# Three Pillars of Progress:

# Fill. Grow. Future.



## Drill to Fill

We are filling capacity by harnessing the potential of Coho and Cascadura, delivering resources efficiently and reliably to support our growth.



## Drill for Growth

Our legacy oil blocks continue to thrive, growing production through recompletions and optimizations, ensuring we build on our strong foundation.



## Drill for the Future

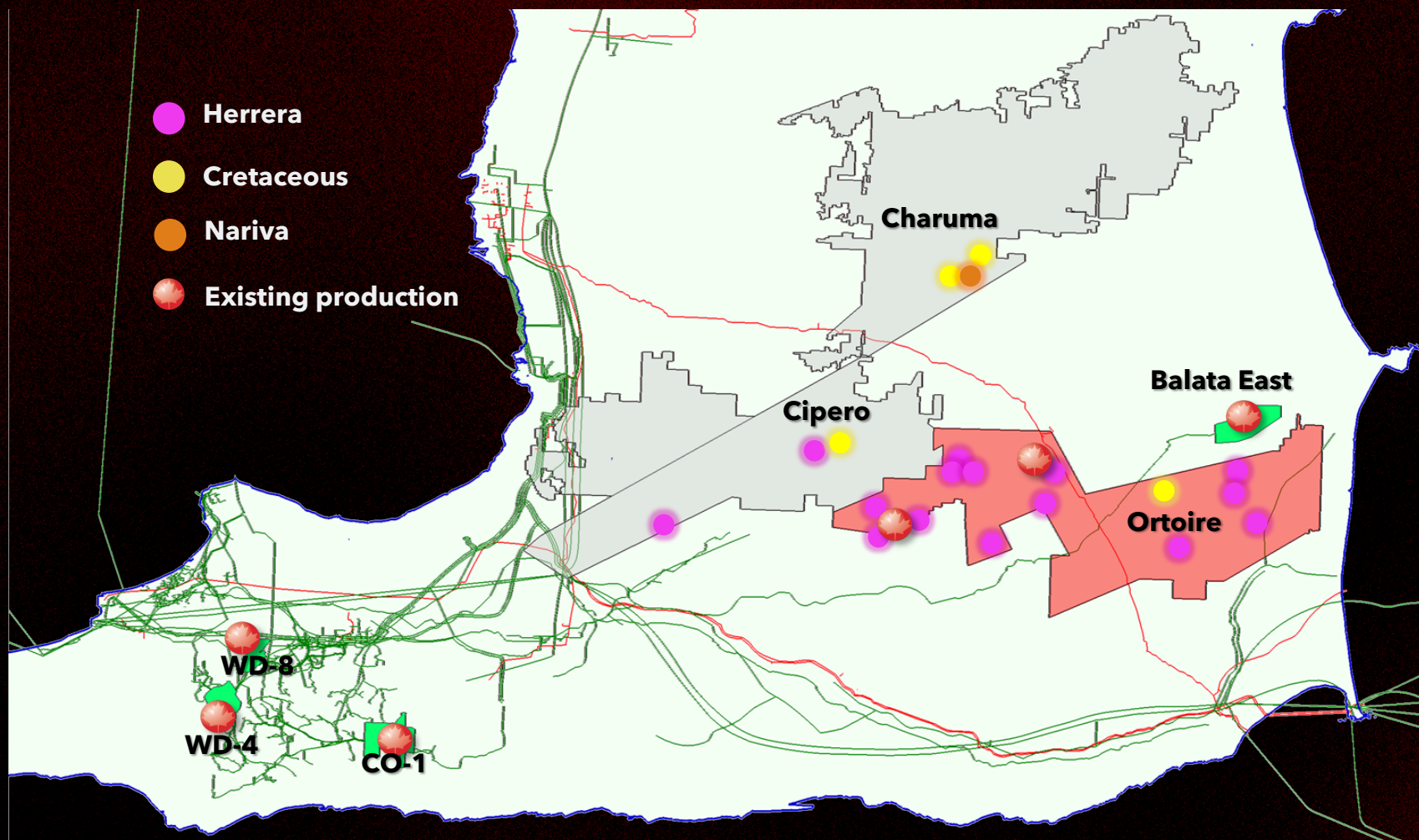
With eyes on exploration, we are breaking new ground in Ortoire, Charuma and Cipero, paving the way for tomorrow's energy through innovative development.





# 2024: Investing in resource-rich assets

*Disciplined investment framework to establish a future with sustainable free cash flow*





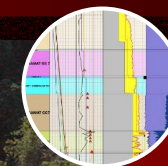


# Technology: *We have the equipment*

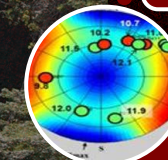
## State of the Art Drilling Rig

Star Valley Rig 205

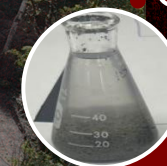
- Pipe Handler
- 10K BOP System
- BOP Transport and Test Skid
- 7,500 psi Circulating System
- Top Drive



Geomechanical Modeling



Optimized Well Placement



Dewatering



High Performance Water Based Mud



MPD - RCD



MPD - Coriolis Flow Meter



MPD - Choke Manifold





# Drill to Fill: Cascadura C drill pad

## Cascadura C Drill Pad

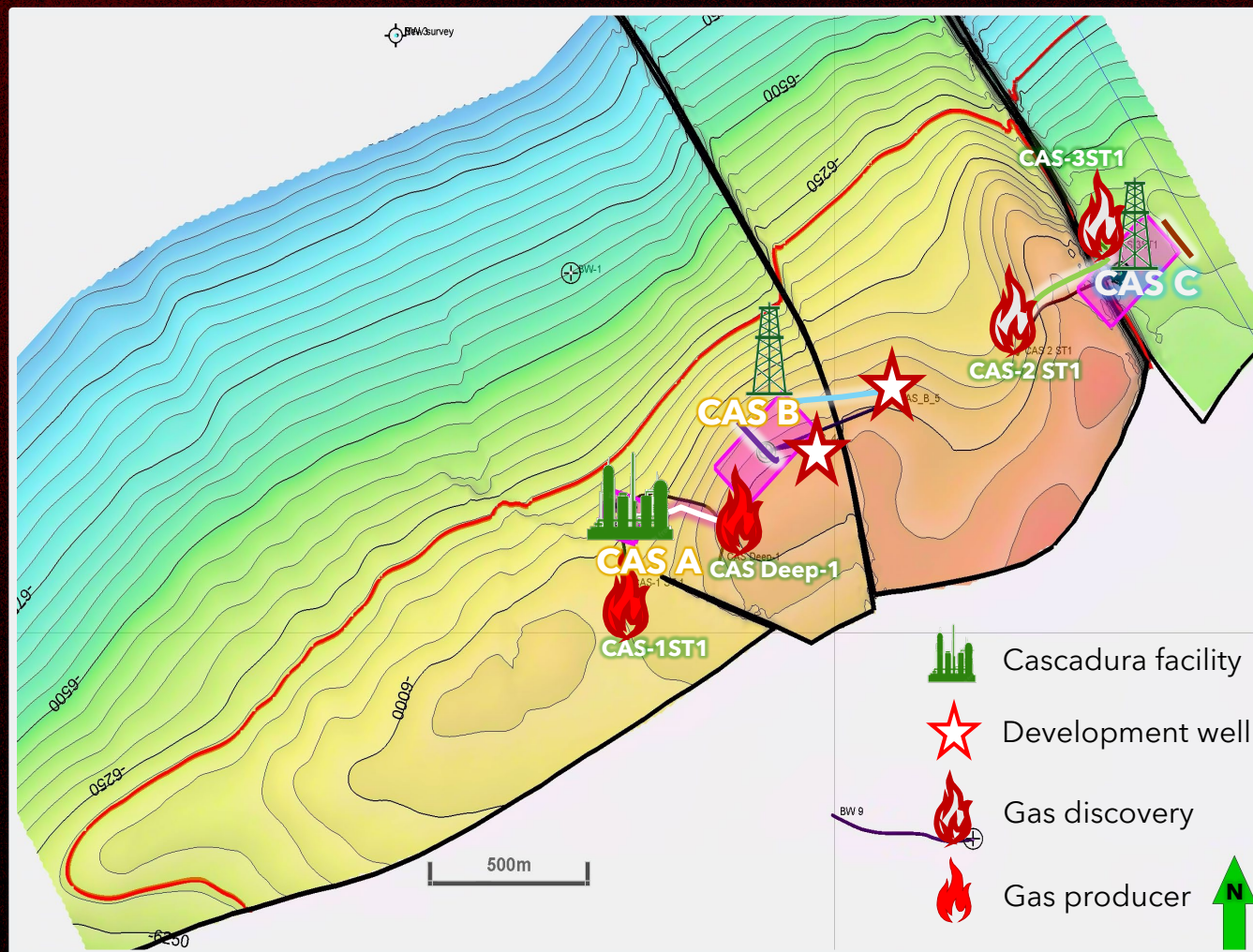
- Located northeast of Cascadura-1ST1 and Cascadura Deep-1
- Approved for the potential drilling of four wells

## Cascadura-2ST1

- Total depth: 7,132 feet
- Total sand thickness: 525 feet
- Formation: Herrera sands
- Anticipated first production: Q4 2024
- Drilled in a southwest orientation
- Located 1.5 km. from the Cascadura facility

## Cascadura-3ST1

- Total depth: 8,252 feet
- Total sand thickness: 900 feet
- Formation: Herrera sands
- Anticipated first production: Q4 2024
- Drilled in a northwest orientation
- Encountered hydrocarbons in an unbooked portion of the structure







# Drill to Fill: *Cascadura*

## Cascadura

Current gross production <sup>(1)</sup>	26.3 MMcf/d
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Available capacity	140 MMcf/d
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### Development Opportunities

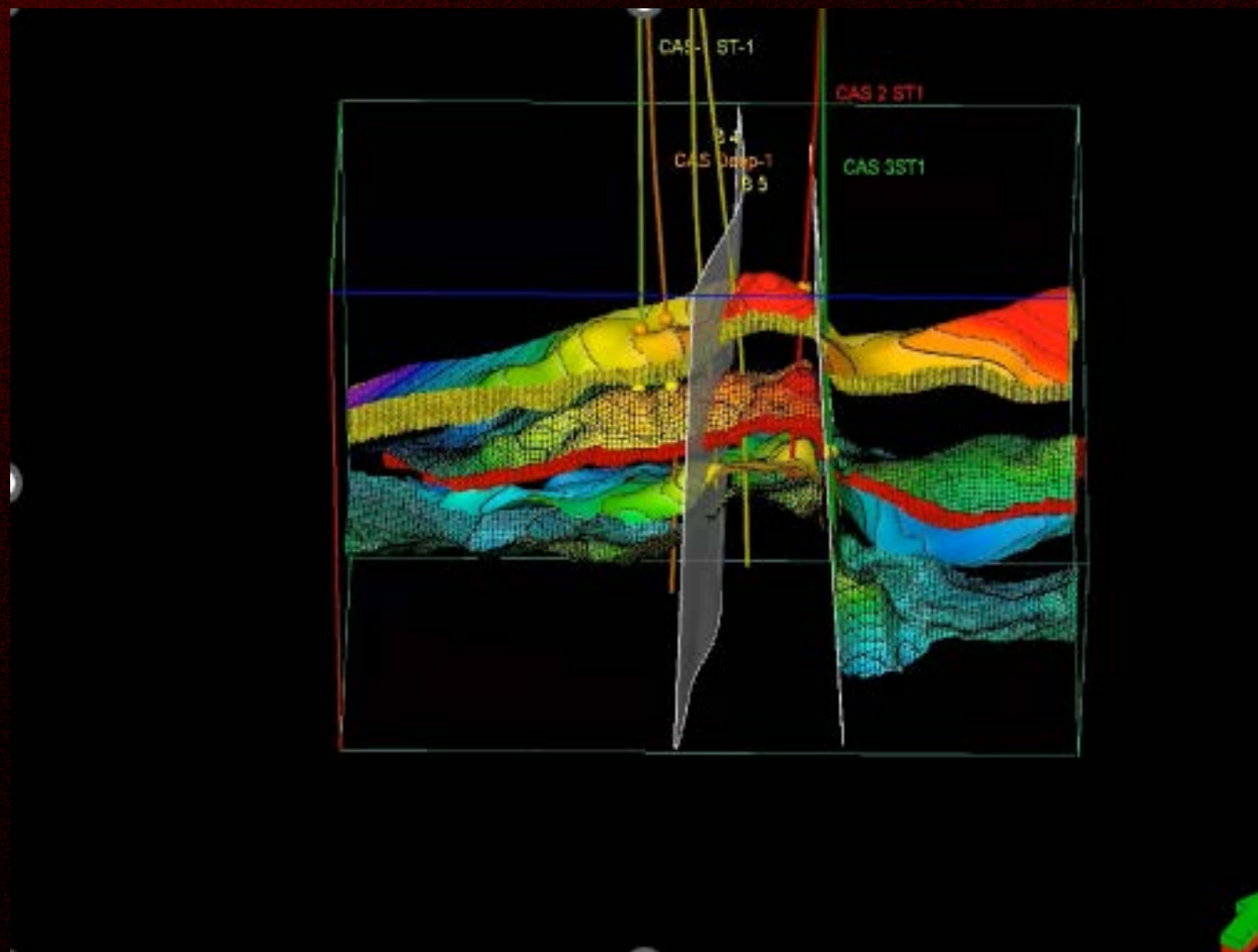
Cascadura-4
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Cascadura-5
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Cascadura-6
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Note:

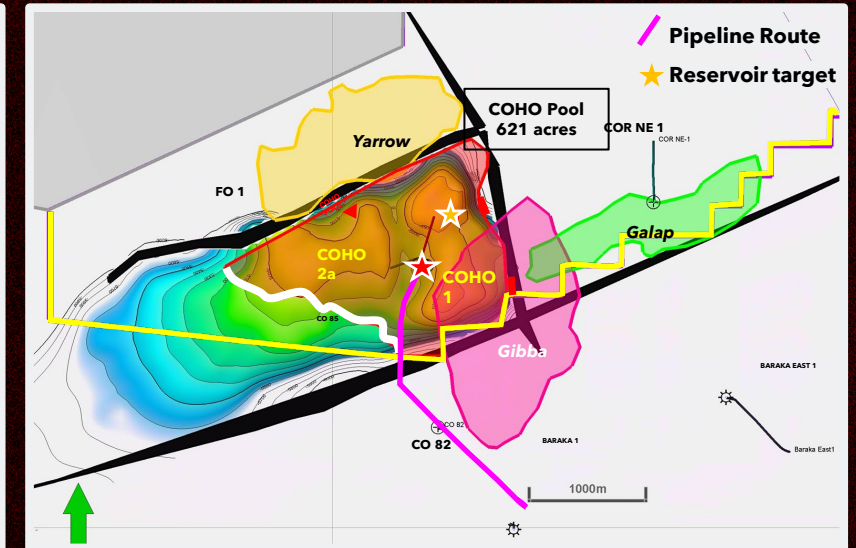
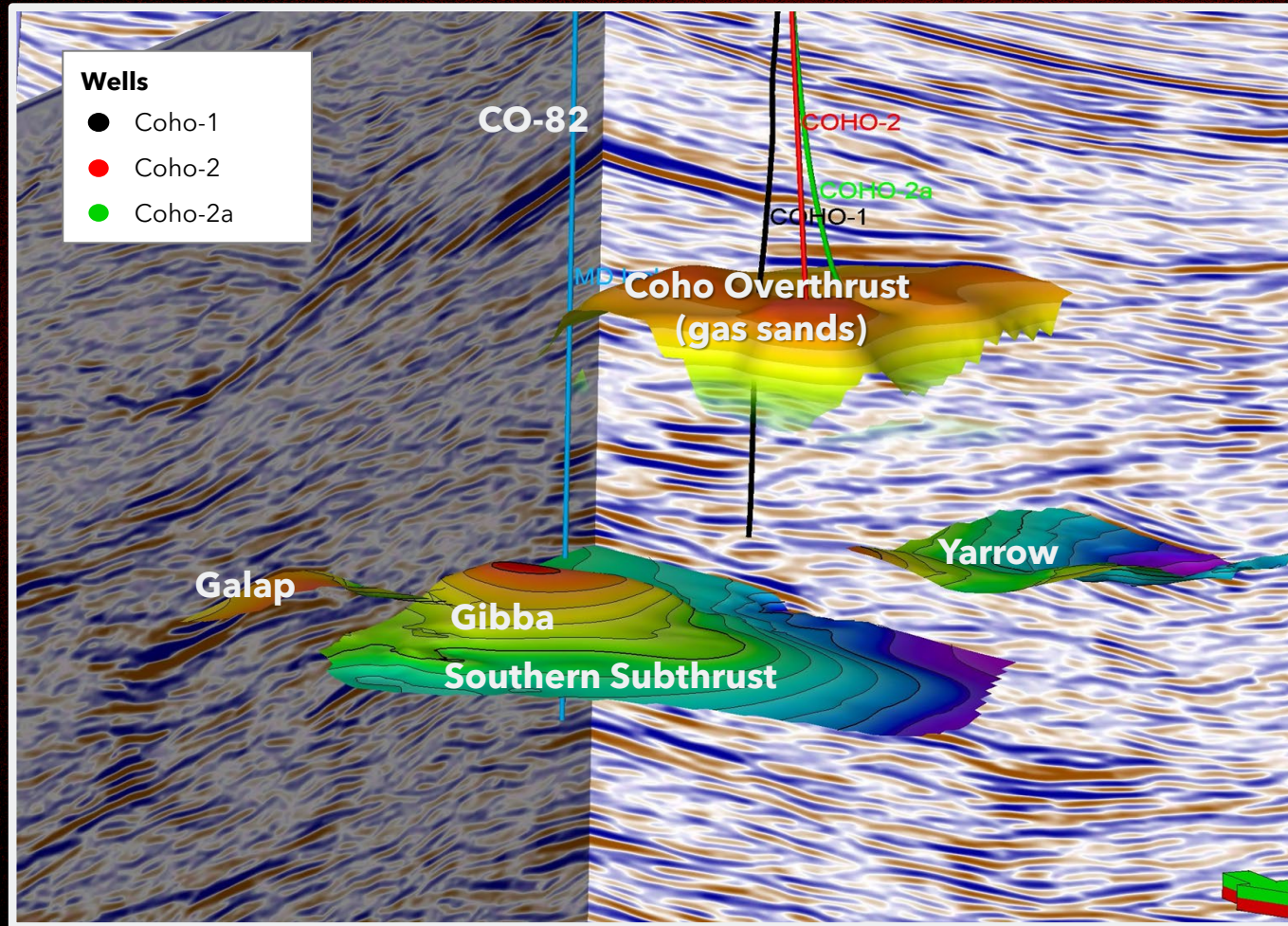
(1) Based on August 2024 average sales volumes.







# Drill to Fill: Coho



## Coho

Current gross production <sup>(1)</sup>	2.8 MMcf/d
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Available capacity	24 MMcf/d
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### Development Opportunities

Coho-2

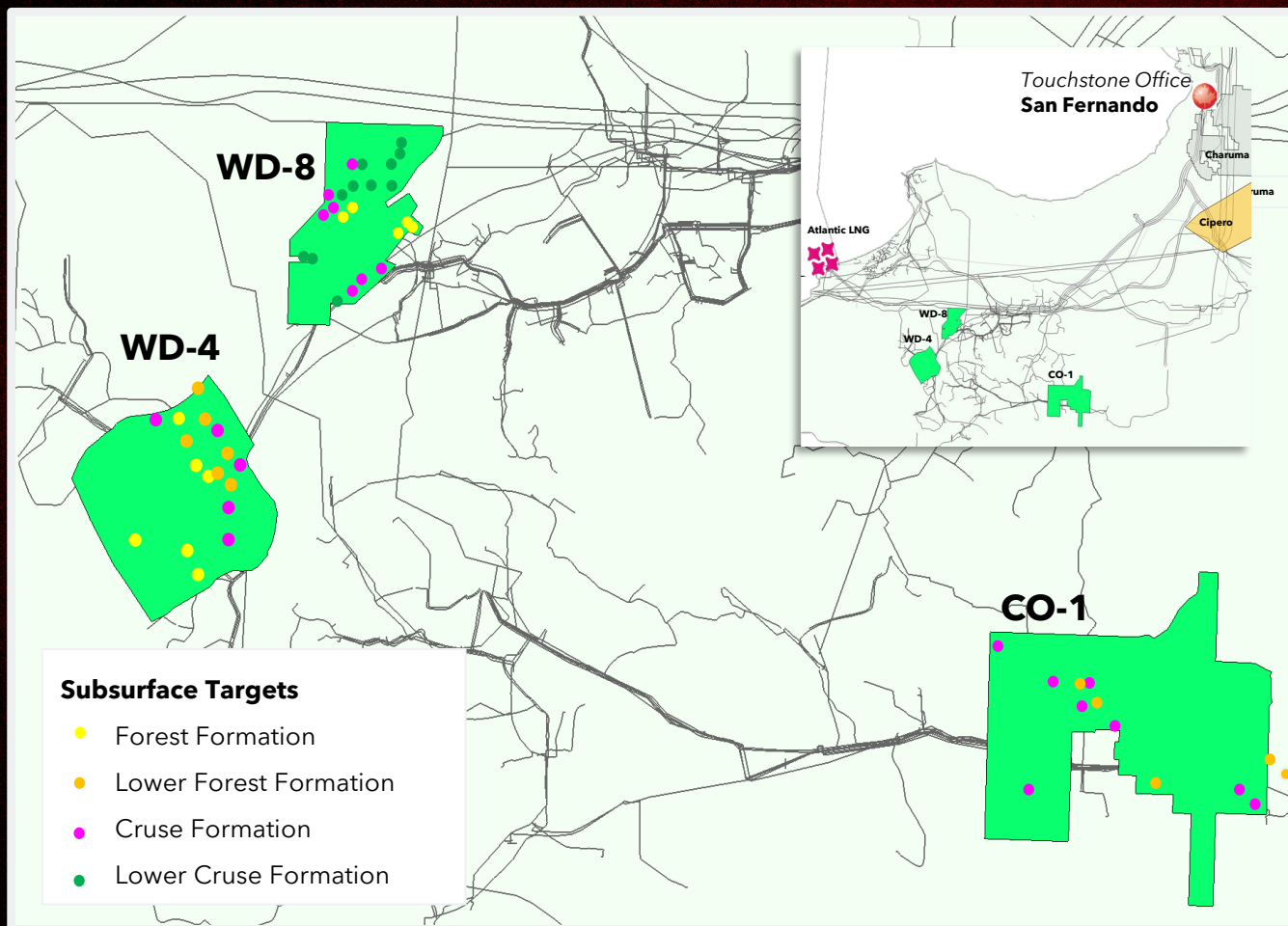
Coho-2a

Note:  
(1) Based on August 2024 average sales volumes.





# Drill to Growth: *Lease operator agreements*



## Notes:

(1) Based on the December 31, 2023 GLJ Ltd. independent reserves evaluation. See "Advisories: Oil and Gas Reserves" and "Advisories: Oil and Gas Measures".

(2) See "Advisories: Drilling Locations".

## Current Production

Block	August 2024 average daily production (bbls/d)
CO-1	520
WD-4	474
WD-8	145
Other	69

## Reserves

Block	2P Reserves <sup>(1)</sup>	Drilling Locations <sup>(2)</sup>
CO-1	3,341 Mbbls	11
WD-4	5,102 Mbbls	17
WD-8	4,776 Mbbls	23

## 2025 Minimum Work Obligations

Block	Locations <sup>(2)</sup>
CO-1	2
WD-4	2
WD-8	2





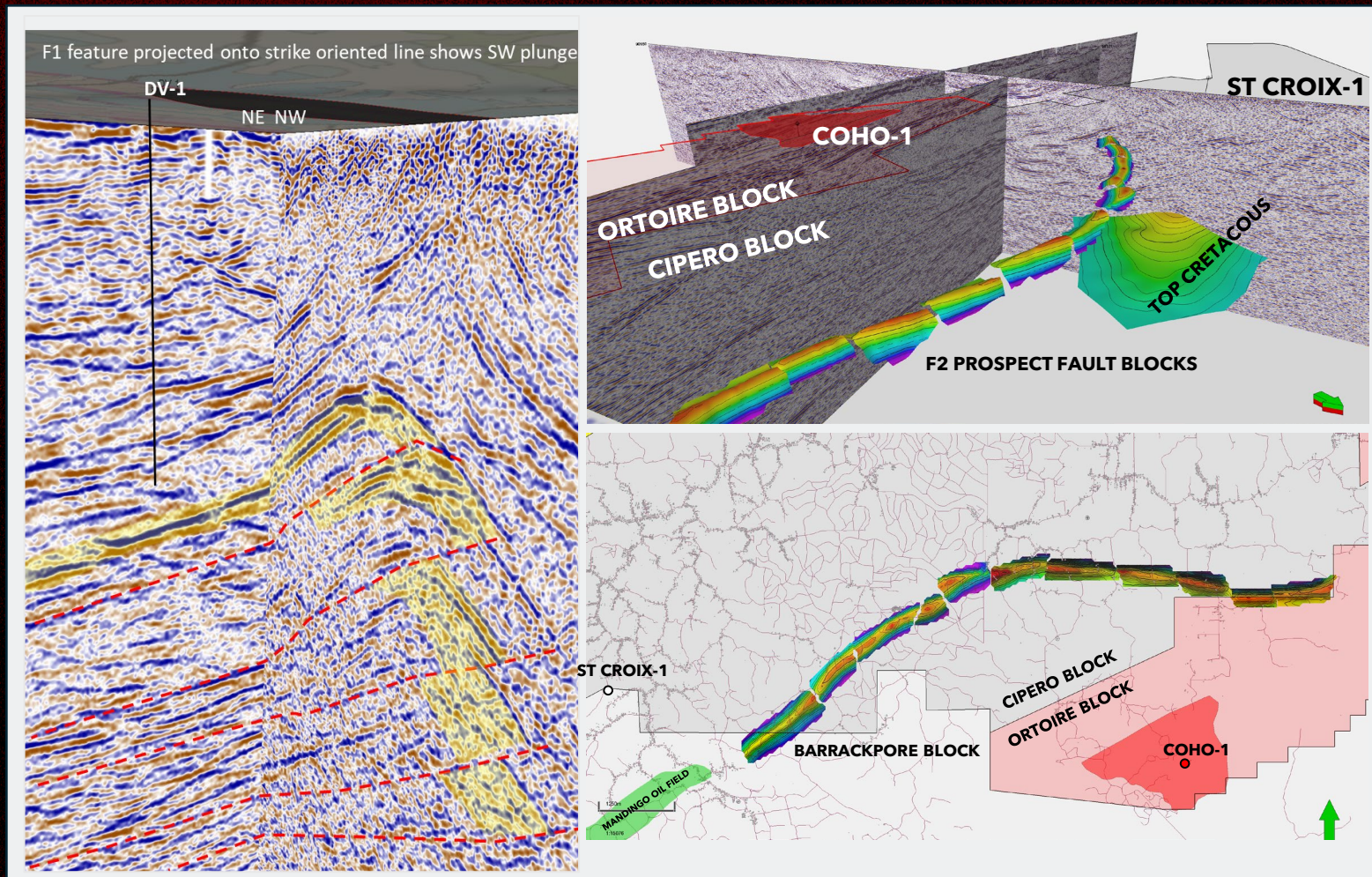
# Drill for the Future: *Cipero exploration*

The Cipero block was surveyed using **2D seismic**

Exploration prospects in the **Retrench** sands and **Herrera** sands target depths from 4,500 to 10,000 feet

Exploration prospects in the **Cretaceous** sands target depths of 13,500 feet and deeper

The **last exploration well (SCRX-1)** was drilled by Exxon in 1995 to a total depth of 17,587 feet







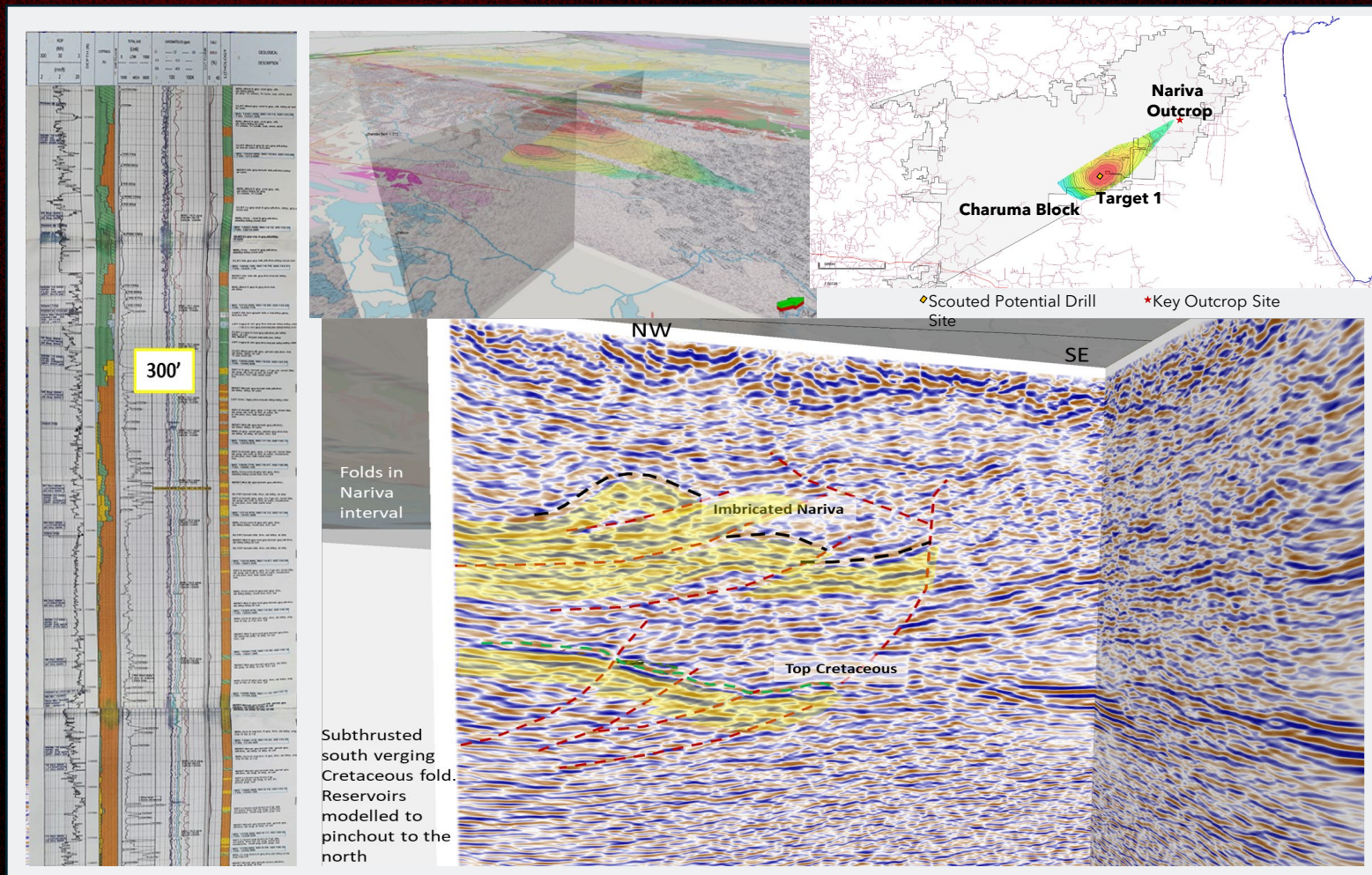
# Drill for the Future: *Charuma exploration*

The Charuma block was surveyed primarily using **2D seismic**

The eastern part of the Charuma block was surveyed using **3D seismic**

Exploration prospects in the **Nariva** sands target depths from 2,000 to 5,000 feet

Exploration prospects in the **Cretaceous** sands target depths of 7,000 feet and deeper

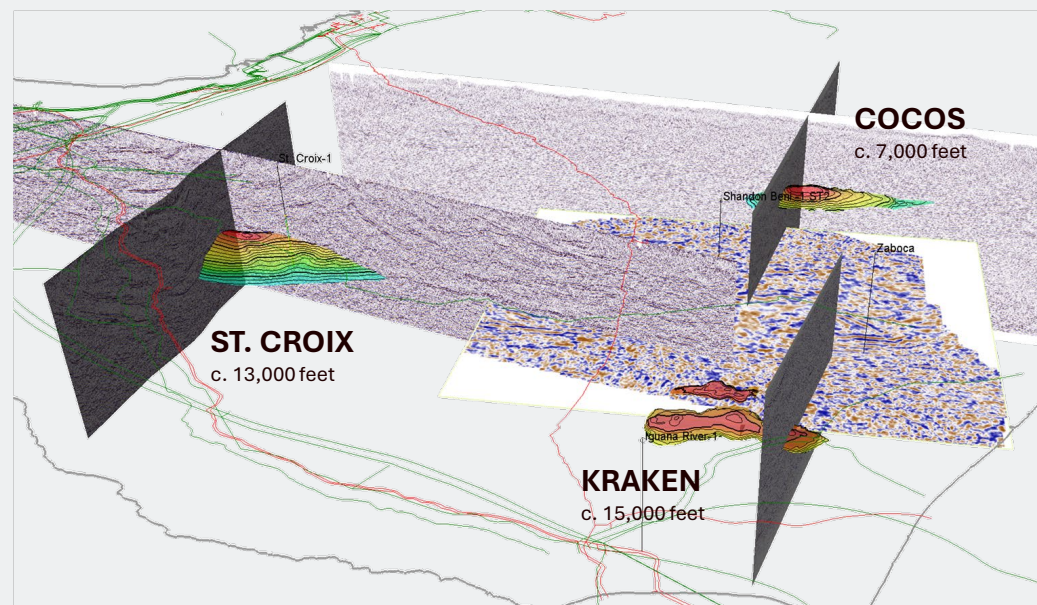
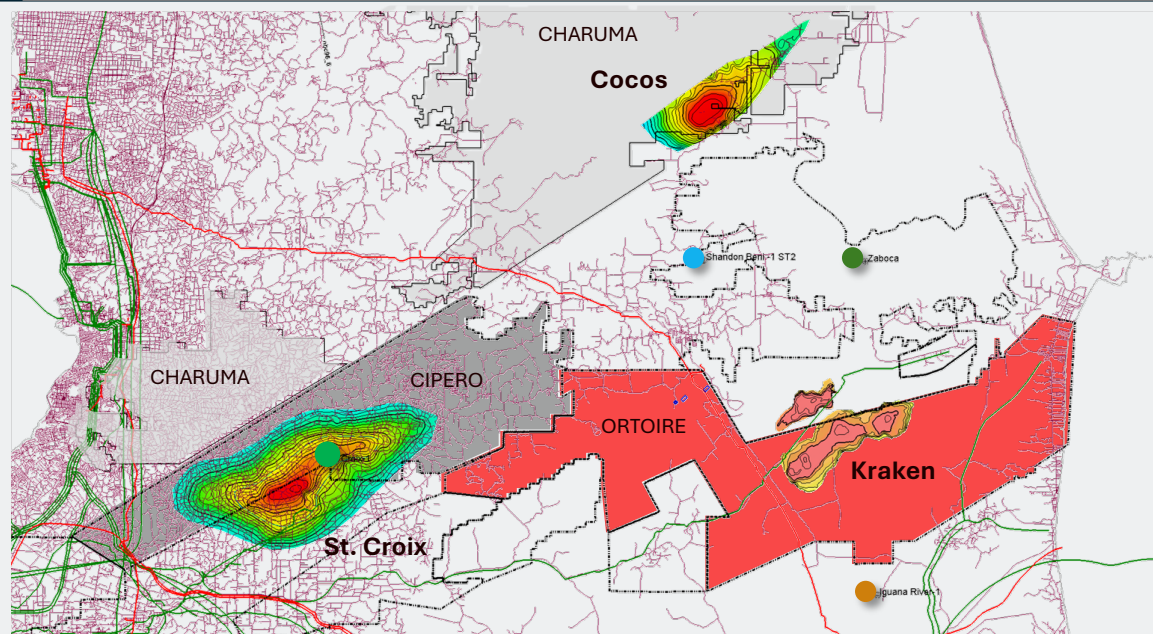






# Drill for the Future: Cretaceous exploration

*Touchstone has identified multiple Cretaceous anomalies on our exploration blocks which have the potential to unlock a new onshore play type with ties to offshore discoveries near Guyana*



**1993**

Exxon's RP-1 drilled to 16,006 feet and tested gas in sandstone

**1994**

Exxon's IGR-1 drilled to 12,762 feet and encountered residual oils in sandstones and carbonates

**1995**

Exxon's SCRX-1 drilled to 17,587 feet and encountered residual oil in sandstones

**2005**

Talisman's Zaboca-1 drilled to 15,681 feet and did not encounter sandstones

**2006**

Talisman's Shandon Beni-1 drilled to 14,616 feet and encountered residual oil in sandstones

**2015**

Liza-1 Cretaceous discovery by ExxonMobil, offshore Guyana





# Social and Governance

*Improving our long-term success by considering our impact on the communities we operate in*



## Social

**2**

lost time incidents  
in over 3 years

**83%**

local  
workforce

**\$15.2MM**

of local procurement  
in 2022

## Governance

**33%**

female representation  
on the Board

**89%**

independent  
board members

**100%**

employees re-certified on our  
Code of Conduct and Ethics





# Investment Case: *Why Touchstone Exploration Inc.*

**48,783 boe/d processing capacity**

**2P gross reserves 67.4 MMboe<sup>(2)</sup>**

**229 identified drilling locations across several large high-quality reservoirs<sup>(1)</sup>**

**Trusted partner with government and industry**

**Robust domestic demand and supply deficit**

**Fixed-price gas contract providing stability and certainty**

**Pursuing accretive acquisitions to further expand asset base**

Notes:

(1) See "Advisories: Drilling Locations".

(2) Based on the December 31, 2023 GLJ Ltd. independent reserves evaluation. See "Advisories: Oil and Gas Reserves" and "Advisories: Oil and Gas Measures".





# Corporate Information and Contacts

## *Stock Exchange Listing*

TSX: TXP

AIM: TXP

## *Year-end*

December 31

## *Banker*

Republic Bank Limited

## *Auditor*

KPMG LLP

## *Reserves Evaluator*

GLJ Ltd.

## *Legal Counsel*

Norton Rose Fulbright LLP

## *Transfer Agents*

Odyssey Trust Company  
Link Group

## Contacts

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### **Brian Hollingshead**

Executive Vice President, Engineering and  
Business Development  
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Executive Vice President Asset Development  
and HSE  
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## Office Locations

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Website: [www.touchstoneexploration.com](http://www.touchstoneexploration.com)  
Fax: (403) 266-5794  
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### **Trinidad Offices**

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*Primera Oil and Gas Limited*  
14 Sydney Street  
Rio Claro, Trinidad  
Office: (868) 677-7411





# Abbreviations

bbl(s)	barrel(s)	PDP	proved developed producing reserves
bbls/d	barrels per day	1P	proved reserves
Mbbls	thousand barrels	2P	proved plus probable reserves
MMbbls	million barrels	3P	proved plus probable plus possible reserves
Mcf	thousand cubic feet	AIM	AIM market of the London Stock Exchange plc
Mcf/d	thousand cubic feet per day	Brent	dated Brent
MMcf	million cubic feet	HPCL	Heritage Petroleum Company Limited
MMcf/d	million cubic feet per day	NGC	The National Gas Company of Trinidad and Tobago Limited
Bcf	billion cubic feet	NGL(s)	natural gas liquid(s)
Bcf/d	billion cubic feet per day	psi	pounds per square inch
MMBtu	million British Thermal Units	psig	pound force per square inch
boe	barrels of oil equivalent	TSX	Toronto Stock Exchange
boe/d	barrels of oil equivalent per day	\$C	Canadian dollars
Mboe	thousand barrels of oil equivalent	\$MM	million dollars
MMboe	million barrels of oil equivalent	\$ or US\$	United States dollars





# Advisories

This presentation is for information purposes only and is not under any circumstances to be construed as a prospectus or an advertisement for a public offering of such securities. No securities commission or similar authority in Canada or elsewhere including the TSX has in any way passed upon this presentation, or the merits of any securities of Touchstone Exploration Inc., and any representation to the contrary is an offence. An investment in Touchstone Exploration Inc.'s securities should be considered highly speculative due to the nature of the proposed involvement in the exploration for and production of petroleum and natural gas. This presentation and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities of Touchstone Exploration Inc. have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## Currency

Unless otherwise stated, all financial amounts herein are presented in United States dollars. The Company may also reference Canadian dollars ("C\$"), Trinidad and Tobago dollars ("TT\$") and Pounds Sterling ("£") herein.

## Production Volumes

Unless otherwise stated, all production volumes disclosed herein are sales volumes before royalty burdens.

## Forward-looking Statements

Certain information regarding Touchstone Exploration Inc. ("Touchstone", "we", "our", "us", or the "Company") set forth in this presentation may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expect", "plan", "anticipate", "believe", "intend", "maintain", "continue to", "pursue", "design", "result in", "sustain", "estimate", "potential", "growth", "near-term", "long-term", "forecast", "contingent" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. The forward-looking statements contained in this presentation speak only as of the date hereof and are expressly qualified by this cautionary statement.

Forward-looking statements in this presentation include, but are not limited to, those in respect of: the Company's business plans, strategies, priorities, goals and long-term plans; potential acquisition opportunities within Trinidad; the potential for future shareholder returns; exploration, development and production opportunities and activities, including anticipated, drilling, drilling locations, production testing, development, tie-in, facilities construction, and ultimate production and production rates from exploration and development wells; opportunities to increase production through well optimization and enhanced oil recovery projects; the quality and quantity of prospective hydrocarbon accumulations based on wireline logs, including the Company's interpretations thereof; the Company's expectation of future funds flow from operations and capital expenditures and the amount thereof; the Company's future exploration activities; the extent to which local communities will benefit from the Company's operations; general business strategies and objectives; Touchstone's ability to pursue development opportunities that generate positive returns and position it for success; the focus of Touchstone's future capital plans, including pursuing developmental drilling activities and optimizing existing natural gas and liquids infrastructure capacity; anticipated future production and production by commodity; forecasted production decline rates; anticipated timing of developmental and exploration drilling production; expected drilling activities, including locations and the timing thereof; anticipated timing of well tie-in operations; anticipated funds flow from operations and net debt; field estimated production; and Touchstone's current and future financial position, including the sufficiency of resources to fund future capital expenditures and maintain financial liquidity.

The Company's actual decisions, activities, results, performance, or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Touchstone will derive from them.





# Advisories

## Forward-looking Statements (continued)

With respect to forward-looking statements contained in this presentation, the Company has made assumptions regarding: financial condition; outlook and results of operations; exploration, development and associated operational plans (including drilling, testing, facilities construction and recompletion programs) and the anticipated costs and timing thereof; estimated oil and gas reserves (including the magnitude, ability to recover, commerciality and net present value thereof); production rates and production decline rates; net feet of pay based on internal estimates of wireline logs; the success of exploration opportunities; plans for and results of production testing and anticipated initial production rates derived therefrom; the ability to secure necessary personnel, equipment, production licences, regulatory approvals and services; environmental matters; future commodity prices; changes to prevailing regulatory, royalty, tax and environmental laws and regulations; the impact of competition, future capital and other expenditures (including the amount, nature and sources of funding thereof); future financing sources; business prospects and opportunities; the impact ongoing geopolitical issues will have on the Company's future operations and future petroleum pricing; and safety related metrics and goals, among other things.

In addition, statements relating to reserves are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. The recovery and reserve estimates of Touchstone's reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Consequently, actual results may differ materially from those anticipated in the forward-looking statements.

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. New factors emerge from time to time, and it is not possible for Management to predict all of such factors and to assess in advance the impact of each such factor on Touchstone's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. 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. Some of the risks that could affect the Company's future results and could cause results to differ materially from those expressed in the forward-looking information are described under the heading "Advisories: Business Risks" in this presentation and are also set out in more detail in the Company's 2023 Annual Information Form dated March 20, 2024, which has been filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

Touchstone's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this presentation in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

Investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and Touchstone undertakes no obligation or intent to update any forward-looking statements or information except as required by law, including securities laws. All forward-looking statements contained in this presentation are qualified by such cautionary statements.

## Business Risks

The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results. The Company is exposed to risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities. Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, ability to attract and retain qualified employees on a cost-effective basis, commodity and marketing risk. The Company is subject to significant drilling risks and uncertainties including the ability to find oil and natural gas reserves on an economic basis and the potential for technical problems that could lead to well blow-outs and environmental damage. The Company is exposed to risks relating to the inability to obtain timely regulatory approvals, surface access, access to third-party gathering and processing facilities, transportation and other third-party related operation risks.





# Advisories

## Business Risks (continued)

The Company is subject to industry conditions including changes in laws and regulations, including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced. There are uncertainties in estimating the Company's reserve and resource base due to the complexities in estimated future production, costs and timing of expenses and future capital. The Company is subject to the risk that it will not be able to fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its properties. The financial risks the Company is exposed to include, but are not limited to, the impact of general economic conditions in Canada, the United Kingdom and Trinidad, continued volatility in market prices for oil and natural gas, the impact of significant declines in market prices for oil and natural gas, the ability to access sufficient capital from internal and external sources, changes in income tax laws, royalties and incentive programs relating to the oil and natural gas industry, fluctuations in interest rates, the C\$ to US\$ exchange rate and the US\$ to TT\$ exchange rate. The Company is subject to local regulatory legislation, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties or production restrictions or the termination of licence or other rights related to the Company's oil and natural gas interests in Trinidad. Readers are cautioned that the foregoing list of factors is not exhaustive. Certain of these risks are set out in more detail in the Company's 2023 Annual Information Form dated March 20, 2024 which has been filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

## Oil and Gas Reserves

All reserves references herein are Company gross reserves. Gross reserves are the Company's working interest share before deduction of royalties. Net reserves are the Company's working interest share after the deduction of royalty obligations.

The December 31, 2023 reserves information included herein are based on the Company's December 31, 2023 independent reserve report prepared by Touchstone's independent reserves evaluator, GLJ Ltd. ("GLJ"), dated March 1, 2024. The report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGEH") and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). All December 31, 2023 reserves presented are based on the average price forecasts of the three leading Canadian oil and gas evaluation consultants (GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd.) dated January 1, 2024 and estimated costs effective December 31, 2023. The disclosure in this presentation summarizes certain information contained in the reserves report but represents only a portion of the disclosure required under NI 51-101. Full disclosure with respect to the Company's reserves as at December 31, 2023 are included in the Company's 2023 Annual Information Form dated March 20, 2024 which has been filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

The recovery and reserve estimates of crude oil, natural gas and NGL reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than or less than the estimates provided herein. This presentation may summarize the crude oil, natural gas and NGL reserves of the Company and the net present values of future net revenue for such reserves using forecast prices and costs prior to provision for interest and finance costs, general and administration expenses, and the impact of any financial derivatives. It should not be assumed that the present worth of estimated future net revenues presented herein represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material.

The reserves information for the Company's December 31, 2022 independent reserve report have been prepared by Touchstone's independent reserves evaluator, GLJ, dated March 3, 2023. The report was prepared in accordance with definitions, standards and procedures contained in the COGEH and NI 51-101. All December 31, 2022 reserves presented are based on GLJ's forecast pricing dated January 1, 2023 and estimated costs effective December 31, 2022. Additional reserves information as required under NI 51-101 are included in the Company's 2022 Annual Information Form dated March 23, 2023.

The reserves information for the Company's December 31, 2021 independent reserve report have been prepared by Touchstone's independent reserves evaluator, GLJ, dated March 4, 2022. The report was prepared in accordance with definitions, standards and procedures contained in the COGEH and NI 51-101. All December 31, 2021 reserves presented are based on GLJ's forecast pricing dated January 1, 2022 and estimated costs effective December 31, 2021. Additional reserves information as required under NI 51-101 are included in the Company's 2021 Annual Information Form dated March 25, 2022.





# Advisories

## Oil and Gas Reserves (continued)

The reserves information for the Company's December 31, 2020 independent reserve report have been prepared by Touchstone's independent reserves evaluator, GLJ, dated March 4, 2021. The report was prepared in accordance with definitions, standards and procedures contained in the COGEH and NI 51-101. All December 31, 2020 reserves presented are based on GLJ's forecast pricing dated January 1, 2021 and estimated costs effective December 31, 2020. Additional 2020 reserves information, as required under NI 51-101 are included in the Company's 2020 Annual Information Form dated March 25, 2021.

The reserves information for the Company's December 31, 2019 independent reserve report have been prepared by Touchstone's independent reserves evaluator, GLJ, dated March 6, 2020. The report was prepared in accordance with definitions, standards and procedures contained in the COGEH and NI 51-101. All December 31, 2019 reserves presented are based on GLJ's forecast pricing dated January 1, 2020 and estimated costs effective December 31, 2019. Additional reserves information as required under NI 51-101 are included in the Company's 2019 Annual Information Form dated March 25, 2020.

The reserves information for the Company's December 31, 2018 independent reserve report have been prepared by Touchstone's independent reserves evaluator, GLJ, dated March 6, 2019. The report was prepared in accordance with definitions, standards and procedures contained in the COGEH and NI 51-101. All December 31, 2018 reserves presented are based on GLJ's forecast pricing dated January 1, 2019 and estimated costs effective December 31, 2018. Additional reserves information as required under NI 51-101 are included in the Company's 2018 Annual Information Form dated March 26, 2019.

## Oil and Gas Measures

To provide a single unit of production for analytical purposes, natural gas production has been converted mathematically to barrels of oil equivalent. We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalent conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

## Product Type Disclosures

This presentation includes references to crude oil, NGLs, natural gas, and average daily production volumes. Under NI 51-101, disclosure of production volumes should include segmentation by product type as defined in the instrument. In this document, references to "crude oil" refer to "light crude oil and medium crude oil" and "heavy crude oil" combined product types; references to "NGLs" refer to condensate; and references to "natural gas" refer to the "conventional natural gas" product type, all as defined in the instrument. In addition, references to "crude oil and liquids" herein include crude oil and NGLs. For further information, refer to the "Advisories: Product Type Disclosures" section of our Management's Discussion and Analysis for the three and six months ended June 30, 2024, which is incorporated herein by reference, and available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## Drilling Locations

This presentation discloses total drilling locations. Drilling locations are classified into three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Company's reserves evaluation of GLJ effective December 31, 2023 and account for locations that have associated proved, probable and/or possible reserves, as applicable. Unbooked locations are internal estimates based on the prospective acreage associated with the Company's assets and an assumption as to the number of wells that can be drilled based on industry practice and internal review. Unbooked locations do not have attributed reserves. Unbooked locations have been identified by Management as an estimation of potential multi-year development and exploration drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations, and if drilled there is no certainty that such locations will result in additional petroleum and gas reserves or production.





# Advisories

## Drilling Locations (continued)

The locations on which the Company will drill wells will ultimately depend upon the availability of capital, regulatory approvals, petroleum and natural gas prices, costs, actual drilling results, additional reservoir information that can be obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells and historical wells drilled in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where Management has less information about the characteristics of the reservoir, and therefore there is more uncertainty whether wells will be drilled in such locations; and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves or production.

## Non-GAAP Financial Measures

This presentation makes reference to various non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as such terms are defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure. Such measures are not recognized measures under Generally Accepted Accounting Principles ("GAAP") and do not have a standardized meaning prescribed by IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") and therefore may not be comparable to similar financial measures disclosed by other issuers. Readers are cautioned that the non-GAAP financial measures referred to herein should not be construed as alternatives to, or more meaningful than, measures prescribed by IFRS and they are not meant to enhance the Company's reported financial performance or position. These are complementary measures that are commonly used in the oil and natural gas industry and by the Company to provide shareholders and potential investors with additional information regarding the Company's performance, liquidity and ability to generate funds to finance its operations. For further information, refer to the "Advisories: Non-GAAP Financial Measures" section of our Management's Discussion and Analysis for the three and six months ended June 30, 2024, which is incorporated herein by reference, and available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

The Company uses operating netback as a key performance indicator of field results. The Company considers operating netback to be a key measure as it demonstrates Touchstone's profitability relative to current commodity prices and assists Management and investors with evaluating operating results on a historical basis. Operating netback is a non-GAAP financial measure calculated by deducting royalties and operating expenses from petroleum and natural gas sales. The most directly comparable financial measure to operating netback disclosed in the Company's consolidated financial statements is petroleum and natural gas revenue net of royalties. Operating netback per boe is a non-GAAP ratio calculated by dividing the operating netback by total sales volumes for the period. Presenting operating netback on a per boe basis allows Management to better analyze performance against prior periods on a comparable basis.

Market capitalization is a supplementary financial measure and is calculated as period end common share price multiplied by the number of common shares outstanding at the end of the period. Management believes that market capitalization provides a useful measure of the market value of Touchstone's equity.

Capital expenditures is a non-GAAP financial measure that is calculated as the sum of exploration and evaluation asset expenditures and property, plant and equipment expenditures included in the Company's consolidated statements of cash flows and is most directly comparable to cash used in investing activities. Touchstone considers capital expenditures to be a useful measure of its investment in its existing asset base.

Working capital and net debt are capital management measures used by Management to monitor the Company's capital structure to evaluate its true debt and liquidity position and to manage capital and liquidity risk. Working capital is calculated by subtracting current liabilities from current assets as they appear on the applicable consolidated balance sheet. Net debt is calculated by summing the Company's working capital and the principal (undiscounted) long-term amount of senior secured debt and is most directly comparable to total liabilities disclosed in the Company's consolidated balance sheets.

Net debt to funds flow from operations ratio is a non-GAAP ratio and a capital management measure calculated as the ratio of the Company's net debt to trailing annual funds flow from operations. The net debt to funds flow from operations ratio is the desired target Touchstone strives to achieve and maintain.

Cash finance expenses are calculated as net finance expenses as determined in accordance with IFRS, less accretion on bank debt and accretion on decommissioning obligations, both of which are non-cash in nature. The Company discloses cash finance expenses to demonstrate the true cost of finance expenses to assist Management with evaluating results on a historical basis.