



TOUCHSTONE EXPLORATION ANNOUNCES ANNUAL 2024 FINANCIAL AND OPERATING RESULTS

CALGARY, ALBERTA (March 20, 2025) - Touchstone Exploration Inc. ("Touchstone", "we", "our" or the "Company") (TSX, LSE: TXP) reports its operating and condensed financial results for the three months and year ended December 31, 2024. Selected financial information is outlined below and should be read in conjunction with our December 31, 2024 audited consolidated financial statements and related Management's discussion and analysis, both of which are available under our profile on SEDAR+ (www.sedarplus.ca) and on our website (www.touchstoneexploration.com). Unless otherwise stated, all financial amounts presented herein are in United States dollars, and all production volumes disclosed herein are sales volumes based on Company working interest before royalty burdens.

Paul Baay, President and Chief Executive Officer, commented:

"In 2024, Touchstone maintained its growth trajectory, achieving record annual production and delivering net earnings, driven by a full year of Cascadura production. We successfully drilled, completed, and brought online two wells at the Cascadura C pad, alongside the installation of a new natural gas separator. With most infrastructure now in place, we are well-positioned to accelerate the transition from drilling to production for future wells.

We continued expanding our Trinidad onshore acreage and announced a strategic acquisition, which we are actively working to finalize. The amended loan agreement and related security documents are in progress, with completion expected in the second quarter of 2025. Looking ahead, we will strategically evaluate growth opportunities, factoring in natural gas pricing dynamics while leveraging our extensive land portfolio and infrastructure to enhance efficiency and reduce costs. Above all, safety remains our top priority, ensuring the well-being of our people and the integrity of our operations."

Annual 2024 Financial and Operating Highlights

- **Record Production:** Achieved annual average production volumes of 5,734 boe/d, a 44 percent increase from 3,981 boe/d in 2023. Production consisted of 1,220 bbls/d of crude oil, 132 bbls/d of NGLs, and 26.3 MMcf/d of natural gas.
- **Revenue:** Petroleum and natural gas sales totaled \$57.47 million, up 19 percent from \$48.10 million in 2023. The increase was driven by a full year of Cascadura production, with natural gas sales rising 77 percent, partially offset by a 3 percent decline in crude oil and NGL sales.
- **Financial Performance:**
 - **Funds flow from operations:** \$16.75 million, representing a year-over-year increase of 22 percent from \$13.73 million recorded in 2023.
 - **Operating netback:** \$32.89 million or \$15.68 per boe (2023 - \$26.22 million or \$18.04 per boe).
 - **Net earnings:** \$8.27 million (\$0.04 per basic share, \$0.03 per diluted share), compared to a net loss of \$20.60 million (\$0.09 per basic share) in 2023, which included \$21.39 million in net non-financial asset impairment expenses.
- **Capital Program:** Invested \$23.68 million in development and infrastructure, including four gross (3.6 net) development wells and key upgrades to the Cascadura natural gas processing facility.
- **Financial Position:** Ended the year with cash of \$6.7 million and net debt of \$29.11 million, resulting in a net debt-to-funds flow from operations ratio of 1.74 times.
- **Strategic Portfolio Optimization:**
 - Divested three non-core properties and acquired the Balata East block, which supports Cascadura NGL marketing.

- Expanded onshore Trinidad acreage by approximately 103,000 working interest acres, securing exploration and production licences within the Herra Formation fairway.
- **Safety:** Maintained a strong focus on responsible operations, with one lost-time injury recorded in 2024.
- **Proposed Acquisition:** In December 2024, we signed an agreement to acquire full ownership of a Trinidad-based private entity (the "Proposed Acquisition"), which holds a 65 percent operating working interest in the onshore Central Block exploration and production licence, along with four producing natural gas wells and an 80 MMcf/d gas processing plant in Trinidad.

Fourth Quarter 2024 Financial and Operating Highlights

- **Production:** Average quarterly production increased to 5,287 boe/d (73 percent natural gas), compared to 5,211 boe/d (75 percent natural gas) in the third quarter of 2024. The increase reflected incremental output from the Cascadura-2ST1 and Cascadura-3ST1 wells brought online in November 2024, partially offset by natural declines in Cascadura field production.
- **Revenue:** Petroleum and natural gas sales totaled \$13.54 million, consistent with the \$13.25 million recorded in the previous quarter.
 - Crude oil sales: \$7.53 million from average production of 1,310 bbls/d at a realized price of \$62.50 per barrel.
 - NGL sales: \$0.7 million from average production of 121 bbls/d at a realized price of \$62.05 per barrel.
 - Natural gas sales: \$5.32 million from average production of 23.1 MMcf/d (3,856 boe/d) at a realized price of \$2.50 per Mcf.
- **Operating Netback:** Generated \$6.89 million in operating netback, down 7 percent from the third quarter of 2024. Quarterly operating netbacks averaged \$14.17 per boe, an 8 percent decline from \$15.46 per boe in the prior quarter, primarily due to a 41 percent increase in operating expenses driven by revised crude oil field historical head licence expenses.
- **Funds Flow from Operations:** Increased to \$3.61 million from \$3.02 million in the previous quarter, as lower operating netbacks were offset by reductions in general and administrative and transaction expenses.
- **Net Loss:** Recorded a net loss of \$542,000 (\$0.00 per basic share), primarily due to \$2.31 million in pre-tax Ortoire exploration asset impairment expenses and higher depletion expenses following Cascadura reserves reductions.
- **Capital Investments:** Invested \$3.11 million in the quarter, primarily focused on the completion of the flowline from the Cascadura C site to the Cascadura natural gas processing facility and pre-drill expenditures relating to the Cascadura-4 well spudded in January 2025.
- **Land Expansion:** Continued to expand our Trinidad onshore acreage with the execution of an exploration and production licence for the Rio Claro block.

Post Period-end Operating Highlights

- **Drilling Update:** Drilling at the Cascadura-4 development location resumed on March 12, 2025. We are currently preparing to run intermediate casing.
- **Production Update:** In February 2025, we delivered average net sales volumes of 4,274 boe/d, comprising:
 - average net natural gas sales volumes of 18.5 MMcf/d (3,083 boe/d); and
 - average net crude oil and natural gas liquid sales volumes of 1,191 bbls/d.

- **Cascadura-3ST1 Optimization:** Since coming onstream in November 2024, the well has been flowing through 3.5-inch tubing at various wellhead choke sizes. In February 2025, Cascadura-3ST1 produced approximately 90 net bbls/d of total fluid with a 47 percent oil cut. A workover is planned to install a bottom-hole pump and optimize production in the second quarter of 2025. As of February 2025, the well has produced approximately 11,900 gross barrels of crude oil.
- **Acquisition Debt Financing:** Touchstone and its lender are in advanced negotiations to secure funding to finance the acquisition and development of the Proposed Acquisition through two additional six-year term loan facilities totaling \$38.2 million. An amended loan agreement and related security documents are currently being drafted.

2025 Outlook and Guidance

We remain focused on financial discipline and maximizing value from our development and exploration assets. Our near-term strategy is to increase cash flow through the development of the Cascadura field, leveraging the processing capacity established in 2024.

On December 9, 2024, Touchstone issued a news release announcing the approval of our preliminary financial and operating guidance for 2025. Given the material nature of the Proposed Acquisition, we intend to provide updated guidance following its expected closing, which the Company continues to anticipate occurring in the second quarter of 2025.

2024 Financial and Operating Results Overview

	Three months ended			Year ended December 31,		
	December 31, 2024	December 31, 2023	% change ⁽⁴⁾	December 31, 2024	December 31, 2023	% change ⁽⁴⁾
Operational						
Average daily production						
Crude oil ⁽¹⁾ (bbls/d)	1,310	1,133	16	1,220	1,181	3
NGLs ⁽¹⁾ (bbls/d)	121	622	(81)	132	201	(34)
Crude oil and liquids ⁽¹⁾ (bbls/d)	1,431	1,755	(18)	1,352	1,382	(2)
Natural gas ⁽¹⁾ (Mcf/d)	23,136	40,491	(43)	26,290	15,593	69
Average daily production (boe/d) ⁽²⁾	5,287	8,504	(38)	5,734	3,981	44
Average realized prices ⁽³⁾						
Crude oil ⁽¹⁾ (\$/bbl)	62.50	72.26	(14)	67.91	67.80	-
NGLs ⁽¹⁾ (\$/bbl)	62.05	72.92	(15)	69.10	74.07	(7)
Crude oil and liquids ⁽¹⁾ (\$/bbl)	62.47	72.49	(14)	68.03	68.72	(1)
Natural gas ⁽¹⁾ (\$/Mcf)	2.50	2.43	3	2.48	2.36	5
Realized commodity price (\$/boe) ⁽²⁾	27.85	26.53	5	27.39	33.10	(17)
Production mix (% of production)						
Crude oil and liquids ⁽¹⁾	27	21		24	35	
Natural gas ⁽¹⁾	73	79		76	65	
Operating netback (\$/boe) ⁽²⁾						
Realized commodity price ⁽³⁾	27.85	26.53	5	27.39	33.10	(17)
Royalty expense ⁽³⁾	(6.59)	(5.53)	19	(6.61)	(8.38)	(21)
Operating expense ⁽³⁾	(7.09)	(3.46)	100	(5.10)	(6.68)	(24)
Operating netback ⁽³⁾	14.17	17.54	(19)	15.68	18.04	(13)

Notes:

- (1) Refer "Advisories - Product Type Disclosures" for further information.
- (2) In the table above and elsewhere in this news release, references to "boe" mean barrels of oil equivalent that are calculated using the energy equivalent conversion method. Refer to "Advisories - Oil and Natural Gas Measures" for further information.
- (3) Specified financial measure. Refer to "Advisories - Non-GAAP Financial Measures" for further information.
- (4) Percentages have been rounded to the nearest whole number and limited to increases or decreases of 100 percent.

	Three months ended December 31,			Year ended December 31,		
	2024	2023	% change ⁽²⁾	2024	2023	% change ⁽²⁾
Financial						
<i>(\$000's except per share amounts)</i>						
Petroleum and natural gas sales	13,543	20,759	(35)	57,470	48,098	19
Cash from operating activities	822	8,512	(90)	13,181	12,743	3
Funds flow from operations	3,614	10,489	(66)	16,748	13,730	22
Net (loss) earnings	(542)	(21,236)	(97)	8,272	(20,598)	n/a
Per share – basic	(0.00)	(0.09)	n/a	0.04	(0.09)	n/a
Per share – diluted	(0.00)	(0.09)	n/a	0.03	(0.09)	n/a
Exploration capital expenditures	426	595	(28)	1,046	17,638	(94)
Development capital expenditures	2,680	591	100	22,633	1,311	100
Capital expenditures ⁽¹⁾	3,106	1,186	100	23,679	18,949	25
Working capital deficit ⁽¹⁾				1,359	7,581	(82)
Principal long-term bank debt				27,750	15,000	85
Net debt ⁽¹⁾ – end of period				29,109	22,581	29
Share Information (000's)						
Weighted avg. shares outstanding:						
Basic	236,461	234,213	1	235,509	233,487	1
Diluted	236,461	234,213	1	236,492	233,487	1
Outstanding shares – end of period				236,461	234,213	1

Notes:

(1) Specified financial measure. Refer to "Advisories - Non-GAAP Financial Measures" for further information.

(2) Percentages have been rounded to the nearest whole number and limited to increases or decreases of 100 percent.

2024 Annual Filings

Touchstone has filed its annual audited financial statements, along with the related Management's discussion and analysis and annual information form ("AIF") for the financial year ended December 31, 2024. The AIF includes reserves data and other oil and gas disclosures in compliance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*. The reserves information presented in the AIF is consistent with the details disclosed in Touchstone's news release issued March 6, 2025. These documents are available online under our profile on SEDAR+ (www.sedarplus.ca) and on our website (www.touchstoneexploration.com).

Touchstone Exploration Inc.

Touchstone Exploration Inc. is a Calgary, Alberta 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 or contact:

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

Forward-looking Statements

The information provided in this news release contains certain 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 news release speak only as of the date hereof and are expressly qualified by this cautionary statement.

Specifically, this news release includes, but is not limited to, forward-looking statements relating to: the Company's business plans, strategies, priorities and development plans; the focus of the Company's 2025 operating and capital plans, including driving future growth, pursuing developmental drilling activities, optimizing current production and utilizing existing natural gas and liquids infrastructure capacity; the completion of the Proposed Acquisition, including the expected benefits and synergies therefrom, the timing thereof and the method of funding; the Company's expectation of executing an amended loan agreement to finance the acquisition and development of the Proposed Acquisition; 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.

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 2024 Annual Information Form dated March 19, 2025 which is available under the Company's profile on SEDAR+ (www.sedarplus.ca) and on the Company's website (www.touchstoneexploration.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 or intent to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This news release references 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 Canadian 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. Below is a description of the non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures disclosed herein.

Operating netback

Touchstone 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 royalty 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 production 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.

Capital expenditures

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

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

The Company monitors its capital structure using a net debt to funds flow from operations ratio, which is a non-GAAP ratio and a capital management measure calculated as the ratio of the Company's net debt to trailing twelve months funds flow from operations for any given period.

Supplementary Financial Measures

Realized commodity price per boe - is comprised of petroleum and natural gas sales as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

Realized crude oil sales per barrel, realized NGL sales per barrel and realized natural gas sales per boe - are comprised of sales from the respective product type as determined in accordance with IFRS, divided by the Company's total production volumes of the respective product type for the period. Crude oil sales, NGL sales and natural gas sales are components of petroleum and natural gas sales as disclosed on the consolidated statements of net earnings and comprehensive income.

Realized crude oil and liquids sales per barrel - is comprised of the sum of crude oil and NGL product sales as determined in accordance with IFRS, divided by the sum of the Company's total crude oil and NGL production volumes for the period. Crude oil and NGL sales are components of petroleum and natural gas sales.

Royalty expense per boe - is comprised of royalty expense as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

For further information, please refer to the "Advisories - Non-GAAP Financial Measures" section of the Company's most recent Management's discussion and analysis for the three months and year ended

December 31, 2024 accompanying our December 31, 2024 audited consolidated financial statements, both of which are available on our website (www.touchstoneexploration.com) and under our SEDAR+ profile (www.sedarplus.ca). Our Management's discussion and analysis includes further discussion of the purpose and composition of the specified non-GAAP financial measures consistently used by the Company and detailed reconciliations to the most directly comparable GAAP measures.

Oil and Natural Gas Measures

To provide a single unit of production for analytical purposes, natural gas production has been converted mathematically to barrels of oil equivalent. The Company uses 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 news release includes references to crude oil, NGLs, crude oil and liquids, natural gas, and average daily production volumes. Under National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), disclosure of production volumes should include segmentation by product type as defined in the instrument. In this news release, 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.

The Company's average production for February 2025 consist of the following product types as defined in NI 51-101 using a conversion of 6 Mcf to 1 boe where applicable.

Period	Light and Medium Crude Oil (bbls/d)	Heavy Crude Oil (bbls/d)	Natural Gas Liquids (bbls/d)	Conventional Natural Gas (Mcf/d)	Total Oil Equivalent (boe/d)
February 2025	1,103	55	33	18,499	4,274

For further information regarding specific product disclosures in accordance with NI 51-101, including 2024 and 2023 average production information by product type, please refer to the "*Advisories - Product Type Disclosures*" section in the Company's most recent Management's discussion and analysis for the three months and year ended December 31, 2024 accompanying our December 31, 2024 audited consolidated financial statements, both of which are available on our website (www.touchstoneexploration.com) and under our SEDAR+ profile (www.sedarplus.ca).

Abbreviations

The following abbreviations are referenced in this news release:

bbls(s)	barrel(s)	Mcf	thousand cubic feet
bbls/d	barrels per day	Mcf/d	thousand cubic feet per day
boe	barrels of oil equivalent	MMcf	million cubic feet
boe/d	barrels of oil equivalent per day	MMcf/d	million cubic feet per day
NGL(s)	natural gas liquid(s)		