



Touchstone Exploration Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025 and 2024

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Touchstone Exploration Inc. ("Touchstone", "we", "our", "us" or the "Company") for the three and nine months ended September 30, 2025 with comparisons to the three and nine months ended September 30, 2024 is dated November 12, 2025 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2025 (the "interim financial statements"), as well as with the Company's audited consolidated financial statements as at and for the year ended December 31, 2024 (the "audited financial statements"), each of which are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com). The interim financial statements have been prepared by Management in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS" or "GAAP"). The interim financial statements were approved by the Company's Board of Directors ("Board"). Accounting policies adopted by the Company are set out in the notes to the audited financial statements. This MD&A should also be read in conjunction with Touchstone's MD&A for the three months and year ended December 31, 2024, as disclosure which is unchanged from December 31, 2024 may not be duplicated herein.

Unless otherwise stated, all financial amounts presented herein are rounded to thousands of United States dollars ("\$" or "US\$").

The Company may also reference Canadian dollars ("C\$") and Trinidad and Tobago dollars ("TT\$") herein, which are the functional and operational currencies of the Company's parent company and operating subsidiaries, respectively. All production volumes disclosed herein are sales volumes and are based on Company working interest before royalty burdens. Certain prior year amounts have been reclassified to conform to the current year presentation. In cases where percentage (%) figures are provided, such percentages have generally been rounded to the nearest whole number and limited to increases or decreases of 100 percent.

Certain measures in this MD&A do not have any standardized meaning prescribed under IFRS and therefore are considered non-GAAP financial measures. Readers are cautioned that this MD&A should be read in conjunction with Touchstone's disclosure under the "Advisories" section of this MD&A which provides information on non-GAAP financial measures, forward-looking statements, oil and natural gas measures, product type disclosures and references to Touchstone.

About Touchstone Exploration Inc.

Touchstone is incorporated under the laws of Alberta, Canada with its head office located in Calgary, Alberta. The Company, through its subsidiaries, is a petroleum and natural gas exploration and production company active in the Republic of Trinidad and Tobago ("Trinidad"). Touchstone is currently one of the largest independent onshore oil and natural gas producers in Trinidad, with assets in several reservoirs that have an extensive internally estimated inventory of petroleum and natural gas development and exploration opportunities. The Company's common shares are traded on the Toronto Stock Exchange and the AIM market of the London Stock Exchange under the stock symbol "TXP". The Company's strategy is to leverage Canadian experience and capability to its Trinidad onshore properties to create shareholder value.

Financial and Operational Results Overview

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% change	2025	2024	% change
Operational						
Average daily production						
Crude oil ⁽¹⁾ (bbls/d)	1,051	1,244	(16)	1,118	1,190	(6)
NGLs ⁽¹⁾ (bbls/d)	436	45	100	230	135	70
Crude oil and liquids ⁽¹⁾ (bbls/d)	1,487	1,289	15	1,348	1,325	2
Natural gas ⁽¹⁾ (Mcf/d)	21,926	23,531	(7)	19,647	27,349	(28)
Average daily production (boe/d) ⁽²⁾	5,141	5,211	(1)	4,623	5,883	(21)
Production mix (% of production)						
Crude oil and liquids ⁽¹⁾	29	25		29	23	
Natural gas ⁽¹⁾	71	75		71	77	
Average realized prices ⁽³⁾						
Crude oil ⁽¹⁾ (\$/bbl)	60.30	66.79	(10)	60.92	70.03	(13)
NGLs ⁽¹⁾ (\$/bbl)	33.41	65.35	(49)	35.71	70.18	(49)
Crude oil and liquids ⁽¹⁾ (\$/bbl)	52.42	66.74	(21)	56.62	70.04	(19)
Natural gas ⁽¹⁾ (\$/Mcf)	2.74	2.47	11	2.61	2.47	6
Realized commodity price (\$/boe) ⁽²⁾	26.84	27.65	(3)	27.59	27.25	1
Operating netback (\$/boe) ⁽²⁾						
Realized commodity price ⁽³⁾	26.84	27.65	(3)	27.59	27.25	1
Royalty expense ⁽³⁾	(6.00)	(7.11)	(16)	(6.58)	(6.62)	(1)
Operating expense ⁽³⁾	(8.46)	(5.08)	67	(7.50)	(4.50)	67
Operating netback ⁽³⁾	12.38	15.46	(20)	13.51	16.13	(16)
Financial						
(\$000's except per share amounts)						
Petroleum and natural gas sales	12,696	13,253	(4)	34,816	43,927	(21)
Cash from operating activities	4,850	3,607	34	10,227	12,359	(17)
Funds flow from operations	735	3,024	(76)	4,748	13,134	(64)
Net (loss) earnings	(2,064)	1,847	n/a	(2,733)	8,814	n/a
Per share – basic and diluted	(0.01)	0.01	n/a	(0.01)	0.04	n/a
Capital expenditures ⁽³⁾	9,602	3,068	100	20,934	20,573	2
Acquisition expenditure	-	-	n/a	28,400	-	n/a
Principal balance of bank debt				59,875	32,353	85
Principal balance of convertible debenture				12,500	-	n/a
Net debt ⁽³⁾				77,753	29,593	100
Share Information (000's)						
Weighted avg. shares outstanding:						
Basic	261,097	236,382	10	248,824	235,189	6
Diluted	261,097	236,749	10	248,824	236,578	5
Outstanding shares – end of period				261,097	236,461	10

Notes:

- (1) In the table above and elsewhere in this MD&A, references to "crude oil" refer to "light and medium crude oil" and "heavy crude oil" product types combined; references to "NGLs" refer to condensate and propane; and references to "natural gas" refer to "conventional natural gas", all as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). In addition, references to "crude oil and liquids" in this MD&A include crude oil and NGLs. Refer to the "Advisories - Product Type Disclosures" section of this MD&A for further information.
- (2) In the table above and elsewhere in this MD&A, references to "boe" mean barrels of oil equivalent that are calculated using the energy equivalent conversion method. Refer to the "Advisories - Oil and Natural Gas Measures" section of this MD&A.
- (3) Specified or supplementary financial measure. See the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Highlights of Touchstone's financial and operating results for the three months ended September 30, 2025 include:

- **Production:** Averaged 5,141 boe/d in the third quarter of 2025 (71 percent natural gas), compared to 4,399 boe/d (69 percent natural gas) in the second quarter of 2025 and 5,211 boe/d (75 percent natural gas) in the third quarter of 2024. Central volumes contributed approximately 2,217 boe/d during the third quarter.
- **Petroleum and Natural Gas Sales:** Totaled \$12.70 million, a 4 percent decrease from \$13.25 million recorded in the comparative prior year quarter.
 - Crude oil sales: \$5.84 million from average production of 1,051 bbls/d at an average realized price of \$60.30 per barrel.
 - NGL sales: \$1.34 million from average production volumes of 436 bbls/d at an average realized price of \$33.41 per barrel.
 - Natural gas sales: \$5.52 million from average production of 21.9 MMcf/d (3,654 boe/d) at an average realized price of \$2.74 per Mcf.
- **Operating Netback:** Generated \$5.86 million in operating netback, a 21 percent decrease from the third quarter of 2024, primarily due to decreased petroleum and natural gas sales and related royalties and increased natural gas operating expenses.
- **Funds Flow from Operations:** Declined to \$0.74 million from \$3.02 million in the prior year equivalent quarter, largely driven by lower operating netbacks, higher cash finance expenses, and increased current income taxes, partially offset by lower transaction costs.
- **Net Loss:** Recorded a net loss of \$2.06 million (\$0.01 per share) compared to net earnings of \$1.85 million (\$0.01 per share) in the third quarter of 2024. The variance was primarily driven by the decrease in year-over-year funds flow from operations, \$1.50 million in additional depletion and depreciation expense, and the absence of a \$0.78 million gain on asset disposition recognized in the prior year.
- **Capital Investments:** Invested \$9.60 million with the majority of expenditures focused on Cascadura drilling operations and the procurement of compression equipment for the Cascadura natural gas processing facility.
- **Convertible Debt Financing:** Issued a three-year secured convertible debenture (the "Debenture") on August 8, 2025, bearing interest at 5 percent per annum to a private investor. The Debenture is convertible at approximately US\$0.22 (C\$0.30) per share and the investor received 6,250,000 warrants exercisable at C\$0.40 per share for two years. Proceeds from the financing supported the completion of the Company's Cascadura development drilling activities.
- **Financial Position:** Net debt increased to \$77.75 million at September 30, 2025, reflecting the issuance of the convertible debenture.
- **Strategic Disposition:** Entered into an agreement to divest the non-core Fyzabad property to a Trinidad-based third party for consideration of three turnkey drilling wells on the Company's WD-8 and WD-4 blocks. The property contributed average production of 49 bbls/d during the third quarter of 2025, with \$2.59 million in net liabilities classified as held for sale at September 30, 2025. The transaction remains subject to customary regulatory approvals.
- **Private Placement:** Subsequent to quarter end, raised gross proceeds of approximately \$9.1 million (£7 million) from the issuance of 63,636,363 common shares at 11 pence sterling (approximately C\$0.205) per share.

Acquisition

On May 16, 2025, the Company, through its wholly owned Trinidadian subsidiary, completed the acquisition of 100 percent of the share capital of Shell Trinidad Central Block Limited (the "Acquisition") for preliminary cash consideration of \$28.4 million. Financial and operational results from the acquired entity have been consolidated into the Company's financial statements from the May 16, 2025 effective date.

The acquired entity, now renamed Touchstone Trinidad Central Block Ltd., holds a 65 percent operating interest in the onshore Central block exploration and production licence. Heritage Petroleum Company Limited ("Heritage") holds the remaining 35 percent participating interest. The Central block assets include four producing natural gas wells and a gas processing facility, with production from the Carapal Ridge, Baraka, and Baraka East liquids-rich natural gas pools. In addition to low-decline production, the block offers upside potential through infill drilling and exploration prospects.

The Acquisition includes three natural gas sales contracts: one with access to the Trinidad domestic market and two with access to Atlantic LNG. The Central block is located within the hydrocarbon-rich Herrera fairway and is contiguous with the Ortoire block, creating strategic opportunities for natural gas transportation, processing, and marketing. In addition, production from the Coho field is currently processed at the Central block facility, providing operational and commercial synergies.

The Acquisition was financed through a new \$30 million six-year non-revolving term loan facility arranged by the Company's existing Trinidad-based lender (refer to the "*Liquidity and Capital Resources - Bank debt*" section of this MD&A for additional information).

For additional details regarding the Acquisition, including a preliminary purchase price allocation, refer to Note 4 "*Business Combination*" of the interim financial statements.

Disposition

In August 2025, the Company entered into a sale and purchase agreement to divest its 100 percent working interest in the non-core Fyzabad oil property to a Trinidad-based third party. The transaction consideration consists of three turnkey drilling wells to be drilled by the purchaser across Touchstone's WD-8 and WD-4 blocks. Under the terms of the agreement, the purchaser will conduct the drilling operations, while the Company will provide certain ancillary drilling and completion equipment.

As at September 30, 2025, \$2,585,000 in net liabilities related to the Fyzabad property were classified as held for sale. The transaction remains subject to customary regulatory approvals.

The Fyzabad property was considered non-core due to its associated decommissioning obligations, operating expenses that were substantially higher than the Company's corporate average, and limited scalability. The property generated nominal operating netbacks and contributed an average of 55 bbls/d of crude oil sales volumes during the nine months ended September 30, 2025 (2024 - 56 bbls/d).

The disposition supports the Company's strategy to focus on its core development assets, rationalize non-core operations, and redeploy resources toward higher-return projects.

For additional details regarding the disposition, refer to Note 6 "*Property, Plant and Equipment - Disposition*" of the interim financial statements.

Private Placement

On October 30, 2025, the Company completed a private placement directed to investors in the United Kingdom, raising gross proceeds of approximately \$9.1 million (£7 million) through the issuance of 63,636,363 common shares at a price of £0.11 (approximately C\$0.205) per common share.

Going Concern

As at September 30, 2025, the Company had a working capital deficit of \$16.7 million, excluding the Debenture which is convertible into common shares of the Company at any time prior to maturity in August 2028. In the absence of timely collection of value added tax receivables and incremental production from its 2025 development well program, which has experienced additional capital costs and operational challenges impacting additional production, the Company expects that cash balances may not be sufficient to fund anticipated operating and development expenditures and required bank debt repayments over the next twelve months. These conditions indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon generating sufficient cash flows from operations, obtain additional financing through debt or equity, or restructuring existing debt obligations. Although, subsequent to September 30, 2025, the Company completed the private placement raising gross proceeds of approximately \$9.1 million, the Company expects that cash balances may still not be sufficient as noted above. Management is actively evaluating alternatives to meet remaining capital requirements, including potential additional debt or equity financing and adjustments to its operational plans.

The interim financial statements do not reflect potential adjustments to the carrying amounts of assets and liabilities, reported amounts of revenue and expenses, or balance sheet classifications that would be required if the going concern assumption were deemed not appropriate. Such adjustments could be material.

Annual 2025 Guidance

On October 24, 2025, the Company released its revised 2025 operational and financial guidance (the "Revised Guidance"). Following initial production results from Cascadura-5, Touchstone provides the following updates to the Revised guidance.

Annual Guidance Summary ⁽¹⁾	Updated Guidance	Revised Guidance ⁽²⁾	Variance	
			Amount	%
Capital expenditures ⁽³⁾ (\$000's)	27,000	26,000	1,000	4
Average daily production (boe/d)	4,700	5,000	(300)	(6)
% natural gas	71%	73%	(2)	
% crude oil and liquids	29%	27%	2	
Funds flow from operations (\$000's)	4,000	6,000	(2,000)	(33)
Net debt – end of year ⁽³⁾ (\$000's)	69,000	65,000	4,000	6

Notes:

- (1) Forward-looking statement and financial outlook information based on Management current estimates. Refer to "Advisories - Forward-looking Statements".
- (2) As disclosed in the Company's October 24, 2025 news release.
- (3) Specified or supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Since coming online on November 1, 2025, the Cascadura-5 well has produced estimated gross average daily volumes of 2.4 MMcf/d of natural gas and 106 bbls/d of crude oil (approximately 506 boe/d), below the Revised Guidance, which had anticipated gross volumes of approximately 17.0 MMcf/d of natural gas and 275 bbls/d of associated liquids (approximately 3,108 boe/d) over the initial 30 days.

Based on this lower-than-expected performance, the Company now expects 2025 average daily production of 4,700 boe/d, representing a decrease of approximately 300 boe/d (6 percent) relative to the 5,000 boe/d midpoint in the Revised Guidance.

As a result of the forecasted decline in production, the Company expects funds flow from operations of approximately \$4 million for 2025, down from \$6 million in the Revised Guidance.

Capital expenditures are expected to total \$27 million, representing a nominal \$1 million increase compared to the Revised Guidance.

Reflecting the anticipated reduction in funds flow from operations combined with the higher capital program, Touchstone now expects to exit 2025 with net debt of approximately \$69 million, an increase of \$4 million (6 percent) relative to the \$65 million disclosed in the Revised Guidance.

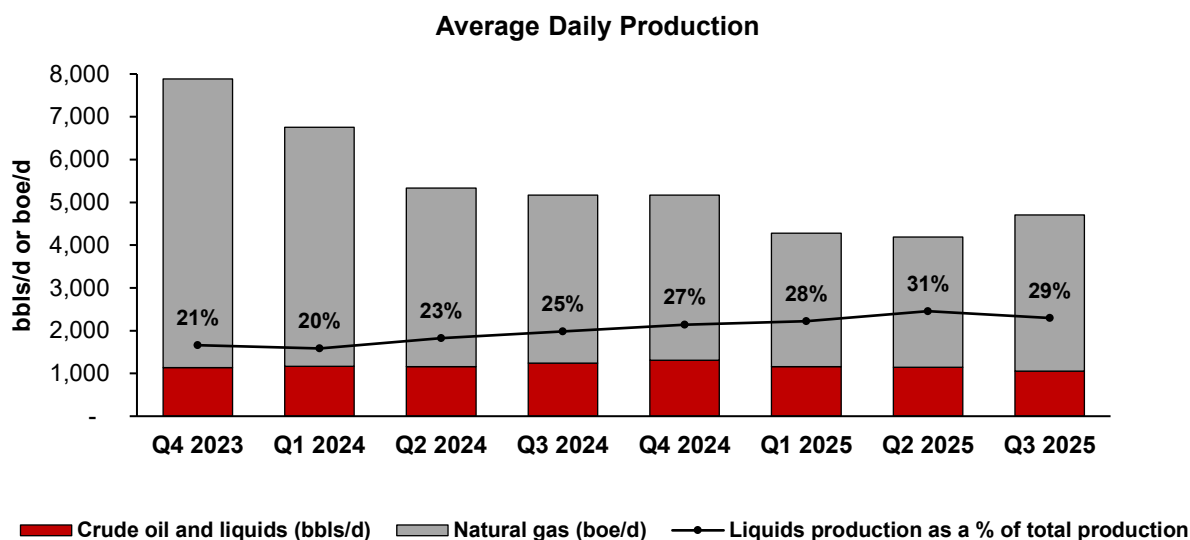
For further information regarding the Company's updated 2025 guidance and the related advisories thereto (which are incorporated by reference herein), refer to the Company's news release dated November 13, 2025 titled "*Touchstone Exploration Announces Third Quarter 2025 Results*", available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com).

Financial and Operational Results

Production volumes

	Three months ended September 30, 2025			Nine months ended September 30, 2025		
	2025	2024	% change	2025	2024	% change
Production						
Crude oil (bbls)	96,729	114,409	(15)	305,225	325,933	(6)
NGLs (bbls)	40,105	4,101	100	62,666	37,119	69
Crude oil and liquids (bbls)	136,834	118,510	15	367,891	363,052	1
Natural gas (Mcf)	2,017,185	2,164,853	(7)	5,363,664	7,493,563	(28)
Total production (boe)	473,031	479,319	(1)	1,261,835	1,611,979	(22)
Average daily production						
Crude oil (bbls/d)	1,051	1,244	(16)	1,118	1,190	(6)
NGLs (bbls/d)	436	45	100	230	135	70
Crude oil and liquids (bbls/d)	1,487	1,289	15	1,348	1,325	2
Natural gas (Mcf/d)	21,926	23,531	(7)	19,647	27,349	(28)
Average daily production (boe/d)	5,141	5,211	(1)	4,623	5,883	(21)
Production mix						
Crude oil and liquids (%)	29	25		29	23	
Natural gas (%)	71	75		71	77	

Total and daily average production volumes for the third quarter of 2025 each declined by 1 percent compared to the equivalent quarter in 2024. On a year-to-date basis, total and daily average production volumes decreased by 22 percent and 21 percent, respectively, compared to the same period of 2024. The overall declines primarily reflected natural production decreases at the Cascadura field, partially offset by new production from the Central field. Production from the Central field contributed approximately 2,217 boe/d in the third quarter of 2025 and 1,068 boe/d on a year-to-date basis.



Crude oil production

Crude oil produced from the Company's properties is stored in tanks at individual well pads before being transported by truck to designated sales facilities connected to heritage pipelines.

The following table summarizes crude oil production volumes by property for the three and nine months ended September 30, 2025 and 2024.

Property (bbls)	Three months ended			Nine months ended		
	2025	September 30, 2024	% change	2025	September 30, 2024	% change
CO-1	37,589	43,947	(14)	112,087	105,418	6
WD-4	34,185	41,310	(17)	109,976	123,950	(11)
WD-8	10,572	14,202	(26)	34,992	55,397	(37)
Balata East	7,942	7,637	4	23,378	7,787	100
Cascadura	785	566	39	5,175	566	100
Other minor fields	5,656	6,747	(16)	19,617	32,815	(40)
Crude oil production	96,729	114,409	(15)	305,225	325,933	(6)

Crude oil production for the third quarter of 2025 was 15 percent lower compared to the same period in 2024. This decline primarily reflected natural declines, as no crude oil development wells have been drilled in 2025.

On a year-to-date basis, production decreased by 6 percent compared to the nine months ending September 30, 2024. Higher production from the Cascadura property, together with a full period of volumes from the Balata East field, more than offset the lower production from previously divested assets in 2024 and mitigated natural declines at other properties.

NGL production

At the Cascadura facility, separated NGLs are stored on site and subsequently trucked to the Balata East sales facility. The Central block facility separates NGLs from produced natural gas and is directly tied into a Heritage-operated sales pipeline. Additional NGLs are extracted from natural gas deliveries shipped to the Atlantic LNG facility via the cross-island pipeline.

The following table summarizes NGL production volumes by property for the three and nine months ended September 30, 2025 and 2024.

Property (bbls)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Cascadura	1,810	4,101	(56)	7,578	37,119	(80)
Central	38,295	-	n/a	55,088	-	n/a
NGL production	40,105	4,101	100	62,666	37,119	69

NGL production averaged 436 bbls/d in the third quarter of 2025, compared to 45 bbls/d in the same period of 2024. The significant increase was primarily attributable to condensate and other NGL production from the Central block, which contributed approximately 416 bbls/d in the quarter. This increase fully offset natural declines in liquids production from the Cascadura-1ST1 and Cascadura Deep-1 wells.

On a year-to-date basis, average NGL production increased by 69 percent relative to the comparable period in 2024. The increase reflected incremental condensate and other NGL production from the Central block of approximately 201 bbls/d, which offset natural declines from the Cascadura-1ST1 and Cascadura Deep-1 wells that averaged a combined 28 bbls/d in 2025 compared to 135 bbls/d in the prior year period.

Natural gas production

Natural gas volumes processed at the Cascadura facility are sold into a connected NGC sales pipeline. Volumes produced from Coho are delivered via an NGL pipeline and processed at the Company's Central facility. Natural gas processed at Central is either sold domestically to NGC or transported through the cross-island pipeline to the Atlantic LNG facility. The Company's share of LNG liftings, measured after the custody transfer point, may differ from actual net natural gas delivered at any given time.

The following table summarizes natural gas production volumes by property for the three and nine months ended September 30, 2025 and 2024.

Property (Mcf)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Cascadura	887,988	1,962,253	(55)	3,508,888	6,815,580	(49)
Central	994,154	-	n/a	1,420,542	-	n/a
Coho	135,043	202,600	(33)	434,234	677,983	(36)
Natural gas production	2,017,185	2,164,853	(7)	5,363,664	7,493,563	(28)

Natural gas production averaged 21.9 MMcf/d (3,654 boe/d) during the third quarter of 2025, representing a 7 percent decrease from 23.5 MMcf/d (3,922 boe/d) reported in the third quarter of 2024. On a year-to-date basis, average natural gas production was 19.6 MMcf/d (3,275 boe/d) compared to 27.3 MMcf/d (4,558 boe/d) in the same period of 2024, reflecting a 28 percent decrease year-over-year.

The decreases were primarily attributable to natural production declines from the Cascadura-1ST1, Cascadura Deep-1, and Coho-1 wells, all of which commenced production prior to 2024. The declines are consistent with the expected performance profile of these wells as they mature. Production decreases were partially offset by incremental volumes from the Central block, which contributed average volumes of approximately 10.8 MMcf/d (1,801 boe/d) and 5.2 MMcf/d (867 boe/d) during the three and nine months ended September 30, 2025, respectively.

Commodity prices

	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Avg. benchmark prices⁽¹⁾						
Dated Brent (\$/bbl)	69.03	80.01	(14)	71.00	82.50	(14)
WTI (\$/bbl)	64.93	75.10	(14)	66.70	77.54	(14)
Average realized prices⁽²⁾						
Crude oil (\$/bbl)	60.30	66.79	(10)	60.92	70.03	(13)
NGLs (\$/bbl)	33.41	65.35	(49)	35.71	70.18	(49)
Crude oil and liquids (\$/bbl)	52.42	66.74	(21)	56.62	70.04	(19)
Natural gas (\$/Mcf)	2.74	2.47	11	2.61	2.47	6
Realized commodity price⁽²⁾ (\$/boe)	26.84	27.65	(3)	27.59	27.25	1

Notes:

(1) Average of the daily closing prices for a given product over the specified period. Sources: US Energy Information Administration and GLJ Ltd.

(2) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

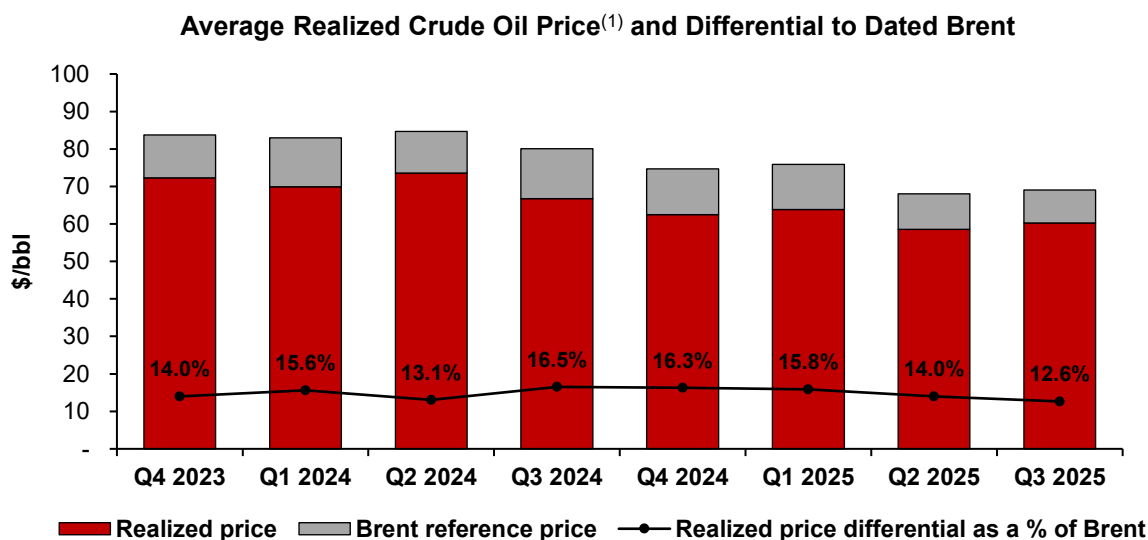
Crude oil and liquids realized prices

Touchstone's realized prices for crude oil and liquids are influenced by product quality differentials and international marketing arrangements, which are largely beyond the Company's control. All crude oil and liquids produced in Trinidad are exported for refining. In the Central block, monthly NGL volumes separated at the natural gas processing facility are sold to Heritage at prices referenced to the WTI benchmark. Additional NGL volumes separated at the Atlantic LNG facility are sold based on Propane Plus pricing, a composite benchmark reflecting propane and heavier NGL components. In all other production areas, crude oil and liquids are sold to Heritage at prices linked to the Dated Brent benchmark.

The Dated Brent benchmark price averaged \$69.03 per barrel in the third quarter of 2025, representing a 1 percent increase from the previous quarter and a 14 percent decrease relative to the third quarter of 2024. On a year-to-date basis, the Dated Brent benchmark averaged \$71.00 per barrel, down 14 percent from the same period in 2024. These declines primarily reflected softer global demand and the gradual easing of OPEC+ voluntary production cuts.

Touchstone realized an average crude oil price of \$60.30 per barrel in the third quarter of 2025, compared to \$66.79 per barrel in the same period of 2024. The 10 percent decrease primarily reflected a 14 percent reduction in average Brent reference pricing, partially offset by a narrowing of the Company's realized crude oil price differential relative to Brent benchmark pricing, from 16.5 percent to 12.6 percent.

On a year-to-date basis, the Company realized an average crude oil price of \$60.92 per barrel in 2025, a 13 percent decrease compared to \$70.03 per barrel during the nine months ended September 30, 2024. The decline reflected a 14 percent decrease in the average Brent reference price, slightly offset by a narrowing of the realized price differential relative to Brent from 15.1 percent to 14.2 percent.



Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

NGL realized pricing declined by 49 percent in the third quarter of 2025 and by 49 percent on a year-to-date basis compared to the same periods in 2024. The decreases primarily reflected the impact of Central block volumes, which are priced based on WTI and Propane Plus benchmarks. In contrast, NGL production from the Cascadura field continues to be priced relative to the Brent benchmark.

Natural gas realized prices

Natural gas production from the Ortoire block is sold under a fixed-price contract with the Natural Gas Company of Trinidad and Tobago Limited ("NGC"), with the current contract price set at \$2.33 per MMBtu. The contract includes a 2 percent annual inflation adjustment effective October 10 of each year.

Natural gas production from the Central block is marketed either domestically through NGC or internationally to Atlantic LNG, depending on Atlantic LNG availability. Atlantic LNG pricing is linked to a basket of global energy benchmarks, including Dated Brent crude oil, Henry Hub, the Japan Korea Marker (JKM), and the National Balancing Point (NBP). These benchmarks reflect prevailing international market conditions, resulting in variable pricing.

For the three months ended September 30, 2025, approximately 93 percent of Central block natural gas production was delivered to Atlantic LNG and approximately 7 percent was delivered domestically to NGC. Since May 16, 2025, approximately 95 percent of Central block natural gas production was delivered to Atlantic LNG while approximately 5 percent was delivered to NGC.

Natural gas sales to Atlantic LNG are recognized when legal title transfers at the inlet of the processing facility. At delivery, revenue is estimated based on the applicable marketing arrangement, net of NGLs and allocated plant gas. Revenue is adjusted when the LNG is lifted, and final pricing is confirmed. Sales to Atlantic LNG are recorded net of processing and marketing charges, including transportation, liquefaction, and related fees.

Touchstone realized an average natural gas price of \$2.74 per Mcf in the third quarter of 2025, compared to \$2.47 per Mcf in the same period of 2024. The increase was primarily attributable to the contribution of Central block volumes, which averaged \$2.99 per Mcf during the quarter. The average Central block natural gas price before transportation, liquefaction, and other LNG-related fees was approximately \$5.02 per Mcf.

On a year-to-date basis, the Company realized an average natural gas price of \$2.61 per Mcf, an increase of \$0.14 per Mcf from the comparable 2024 period. The improvement reflected the addition of higher-priced volumes from the Central field, which averaged \$2.91 per Mcf, along with the contractual inflation adjustment applied under the Ortoire gas marketing agreement. The average Central block natural gas price before related fees was approximately \$4.95 per Mcf for the nine months ended September 30, 2025.

Petroleum and natural gas sales

(\$000's unless otherwise stated)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% change	2025	2024	% change
Crude oil	5,833	7,641	(24)	18,593	22,824	(19)
NGLs	1,340	268	100	2,283	2,605	(14)
Natural gas	5,523	5,344	3	13,985	18,498	(24)
Petroleum and natural gas sales	12,696	13,253	(4)	34,816	43,927	(21)
Sales mix						
Crude oil and liquids (%)	56	60		60	58	
Natural gas (%)	44	40		40	42	

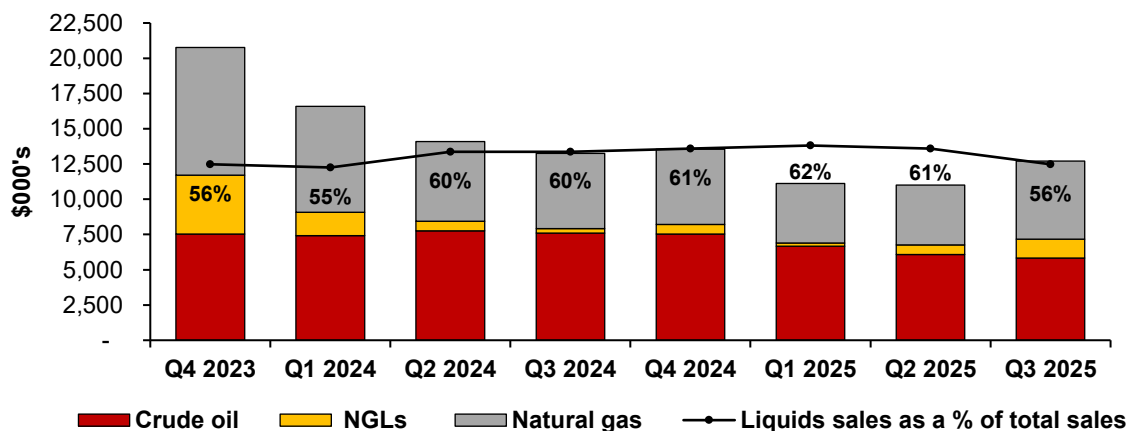
Petroleum and natural gas sales totaled \$12,696,000 in the third quarter of 2025, representing a 4 percent decrease from \$13,253,000 in the same period of 2024. The decline was primarily attributable to lower realized crude oil and liquids prices and reduced natural gas volumes.

- Crude oil sales decreased by \$1,808,000, comprising a \$628,000 reduction from lower realized pricing and a \$1,180,000 decrease due to lower sales volumes.
- NGL sales totalled \$1,340,000, an increase of \$1,072,000 from the third quarter of 2024. A \$1,281,000 reduction from lower realized pricing was more than offset by a \$2,353,000 increase resulting from higher production volumes.
- Natural gas sales increased by \$179,000, reflecting a \$545,000 increase from higher realized pricing, partially offset by a \$366,000 decrease in sales volumes.

For the nine months ended September 30, 2025, petroleum and natural gas sales totaled \$34,816,000, a 21 percent decline from \$43,927,000 in the corresponding period of 2024. The year-over-year decline was primarily attributable to lower natural gas volumes and decreased crude oil and liquids realized prices.

- Crude oil sales declined by \$4,231,000, comprising a \$2,781,000 reduction from lower realized pricing and a \$1,450,000 decrease due to reduced sales volumes.
- NGL sales decreased by \$367,000, reflecting a \$2,160,000 decline from lower realized prices, partially offset by a \$1,793,000 increase from higher production volumes.
- Natural gas sales declined by \$4,513,000, primarily driven by a \$5,264,000 reduction from lower sales volumes, partially offset by a \$751,000 increase from higher realized pricing.

Petroleum and Natural Gas Sales



Royalty expense

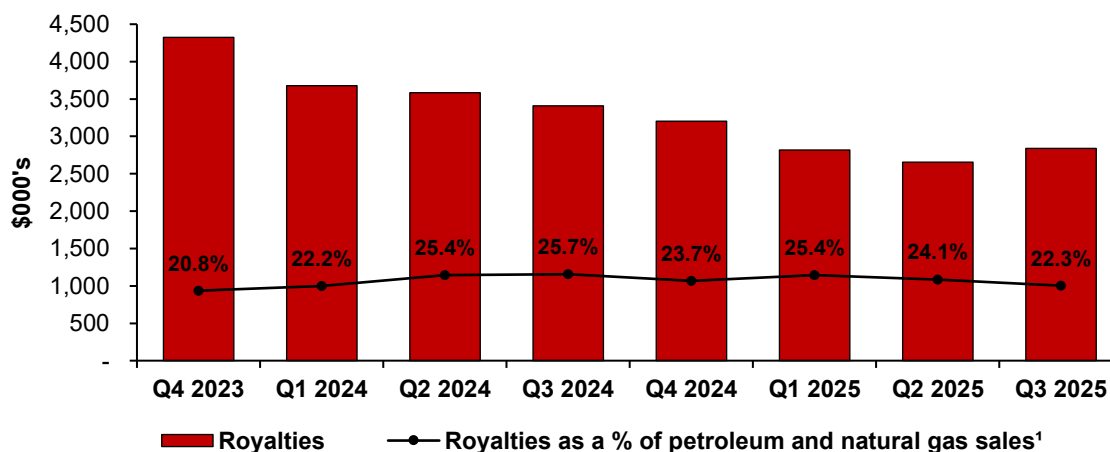
(\$000's unless otherwise stated)	Three months ended September 30, 2025			Nine months ended September 30, 2025		
	2025	2024	% change	2025	2024	% change
State royalties	1,527	1,634	(7)	4,231	5,450	(22)
Overriding royalties	1,270	1,744	(27)	3,957	5,077	(22)
Private royalties	40	31	29	120	144	(17)
Royalty expense	2,837	3,409	(17)	8,308	10,671	(22)
\$ per boe ⁽¹⁾	6.00	7.11	(16)	6.58	6.62	(1)
As a % of petroleum and natural gas sales ⁽¹⁾	22.3	25.7	(13)	23.9	24.3	(2)

Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

For the three and nine months ended September 30, 2025, total royalty expenses decreased by 17 percent and 22 percent, respectively, compared to the same periods in 2024. The decreases were primarily attributable to lower petroleum and natural gas sales, which reflected reduced production volumes and lower realized prices.

Royalty Expense



Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Operating expense

(\$000's except per boe amounts)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Operating expense	4,002	2,436	64	9,460	7,258	30
\$ per boe ⁽¹⁾	8.46	5.08	67	7.50	4.50	67

Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Operating expenses include periodic lease, field-level, and transportation costs, as well as directly attributable employee salaries and benefits. Estimates by product type are based on internal allocations prepared by Management and require the use of assumptions and judgment.

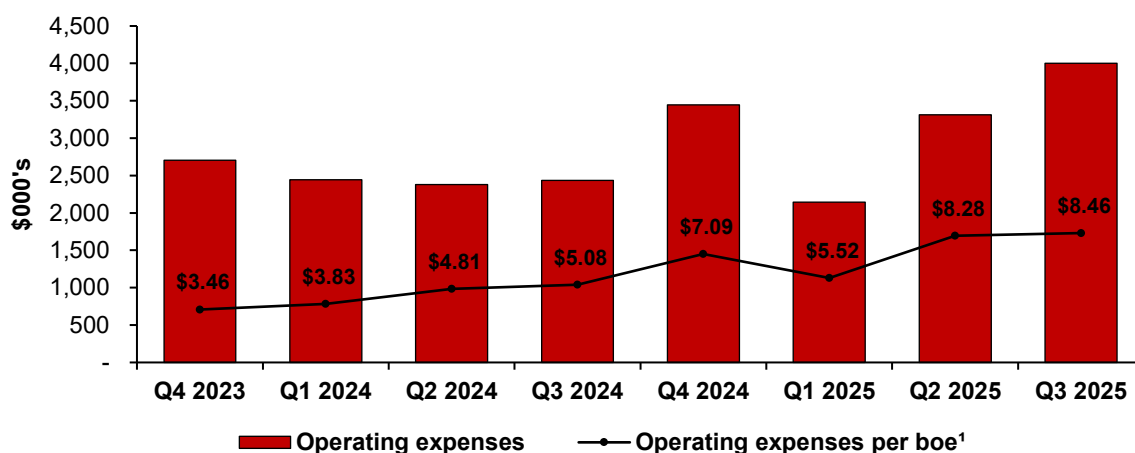
For the three months ended September 30, 2025, operating expenses totaled \$4,002,000, representing an increase of \$1,566,000, or 64 percent, compared to the same period in 2024. The increase was primarily driven by incremental expenses of \$1,492,000 related to the Central field. Estimated crude oil and liquids operating expenses were approximately \$1,974,000, up \$38,000 from the prior year comparative period. Ortoire natural gas operating expenses were approximately \$536,000, reflecting a modest increase of \$36,000 from the third quarter of 2024.

For the nine months ended September 30, 2025, operating expenses increased 30 percent, or \$2,202,000, compared to the prior year. The increase was primarily attributable to incremental costs associated with Central field production following the Acquisition in the second quarter of 2025, partially offset by reductions in crude oil and liquids operating expenses due to ongoing efficiency initiatives and decreased activity in those fields.

Third quarter 2025 operating expenses increased 67 percent to \$8.46 per boe, compared to \$5.08 per boe in the same period of 2024. The increase largely reflected Central field operating expenses of \$7.31 per boe, which were higher than the third quarter 2024 corporate average. Estimated crude oil and liquids operating costs decreased to approximately \$14.43 per barrel, from \$16.34 per barrel in the prior-year period, primarily due to higher liquids volumes from the Central field, which are allocated minimal related operating costs. Estimated Ortoire natural gas operating expenses increased to \$3.14 per boe, up \$1.76 per boe, largely reflecting reduced production volumes. As a substantial portion of these expenses are fixed, the decrease in volumes resulted in higher unit costs.

For the nine months ended September 30, 2025, operating expenses averaged \$7.50 per boe, compared to \$4.50 per boe in the comparative period of 2024, representing a 67 percent increase. Estimated crude oil and liquids operating costs decreased slightly to \$15.03 per barrel from \$15.79 per barrel, reflecting higher production volumes in 2025. Estimated Ortoire natural gas operating expenses increased to \$2.51 per boe from \$1.31 per boe in the comparative period, as lower production volumes resulted in higher per-unit costs due to the fixed nature of certain expenses. Central field natural gas operating expenses averaged \$7.33 per boe over the nine-month period, contributing to the increase in year-to-date 2025 per unit operating costs.

Operating Expense



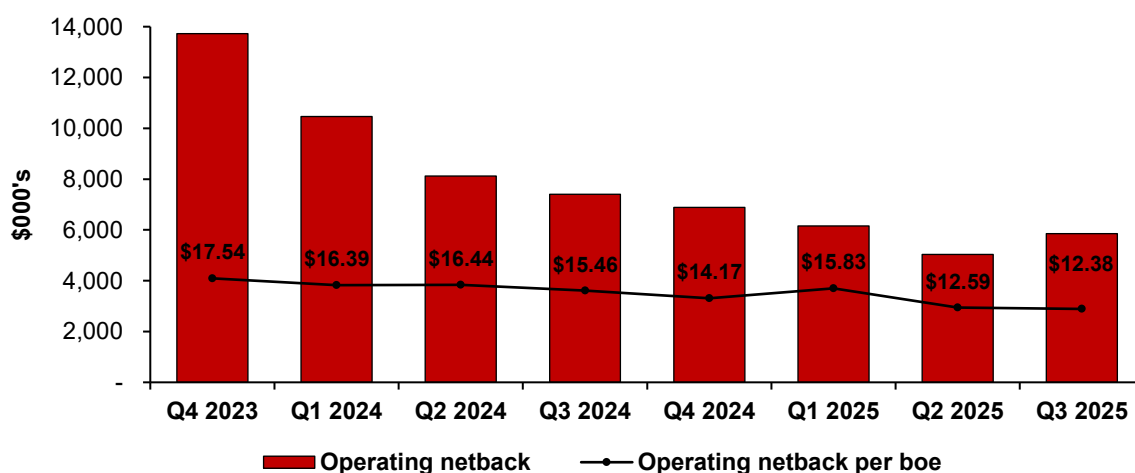
Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Operating netback

	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
(\$'000's)						
Petroleum and natural gas sales	12,696	13,253	(4)	34,816	43,927	(21)
Royalty expense	(2,837)	(3,409)	(17)	(8,308)	(10,671)	(22)
Operating expense	(4,002)	(2,436)	64	(9,460)	(7,258)	30
Operating netback⁽¹⁾	5,857	7,408	(21)	17,048	25,998	(34)
(\$/boe)						
Realized commodity price ⁽¹⁾	26.84	27.65	(3)	27.59	27.25	1
Royalty expense ⁽¹⁾	(6.00)	(7.11)	(16)	(6.58)	(6.62)	(1)
Operating expense ⁽¹⁾	(8.46)	(5.08)	67	(7.50)	(4.50)	67
Operating netback⁽¹⁾	12.38	15.46	(20)	13.51	16.13	(16)

Operating Netback⁽¹⁾



Note:

(1) Specified financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

General and administration ("G&A") expense

(\$000's except per boe amounts)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Gross G&A expense	2,958	2,890	2	7,997	8,018	(1)
Capitalized G&A expense	(91)	(148)	(39)	(280)	(302)	(7)
G&A expense	2,867	2,742	5	7,717	7,716	1
\$ per boe ⁽¹⁾	6.06	5.72	6	6.12	4.79	28

Note:

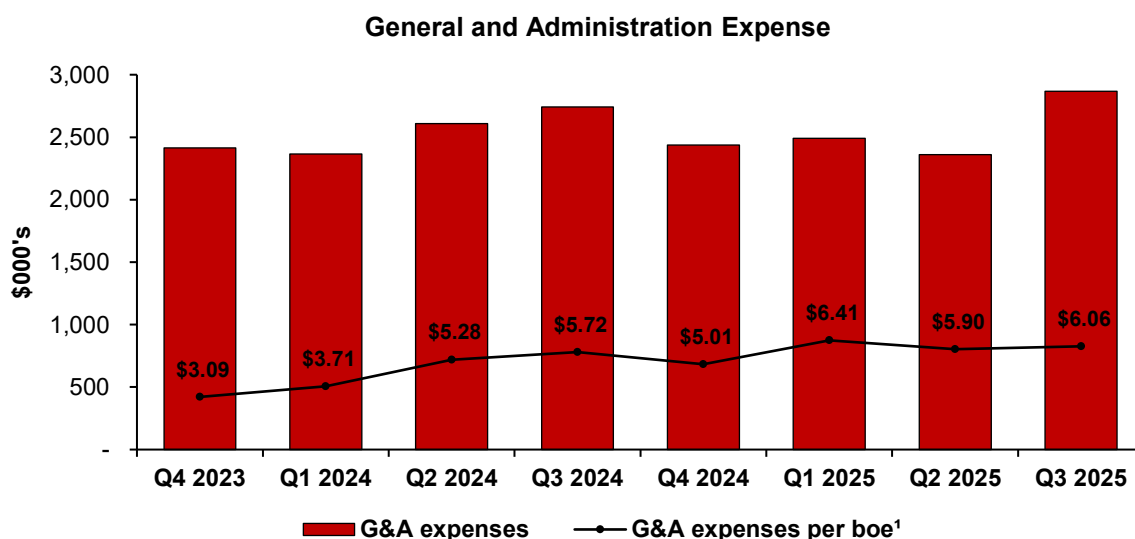
(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Gross G&A expenses for the three months ended September 30, 2025 totaled \$2,958,000, representing a 2 percent increase compared to the same period in 2024. The increase was primarily driven by higher professional fees, partially offset by lower rig security and travel expenses.

For the nine months ended September 30, 2025, gross G&A expenses totaled \$7,997,000, a 1 percent decrease from \$8,018,000 in the prior year comparative period. The modest decline reflected favourable adjustments to 2024 insurance premiums, lower travel expenses and rig supervision costs, which were largely offset by higher information technology expenditures related to cybersecurity initiatives and increased legal fees associated with the cancelled private placement.

Capitalized G&A expenses declined in the three and nine months ended September 30, 2025, compared to the same periods in 2024, reflecting a reduction in employee time allocated to capital activities.

On a per boe basis, G&A expenses increased by 6 percent in the third quarter and 28 percent year-to-date 2025 compared to the prior year comparative periods, primarily reflecting lower production volumes in each period.



Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Net finance expense

(\$000's except per boe amounts)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025	2024	% change	2025	2024	% change
Interest income	(40)	(7)	100	(90)	(20)	100
Finance lease interest income	(2)	(6)	(67)	(14)	(21)	(33)
Lease liability interest expense	119	84	42	386	270	43
Bank debt interest expense	1,144	615	86	2,725	1,760	55
Debenture interest expense	92	-	n/a	92	-	n/a
Debenture issuance expense	167	-	n/a	167	-	n/a
Accretion on bank debt	66	27	100	441	41	100
Accretion on decommissioning liabilities	95	57	67	246	166	48
Other	100	5	100	120	19	100
Net finance expense	1,741	775	100	4,073	2,215	84
Cash net finance expense ⁽¹⁾	1,422	692	100	3,225	2,007	61
Non-cash net finance expense ⁽¹⁾	319	83	100	848	208	100
Net finance expense	1,741	775	100	4,073	2,215	84
\$ per boe ⁽¹⁾	3.68	1.62	100	3.23	1.37	100

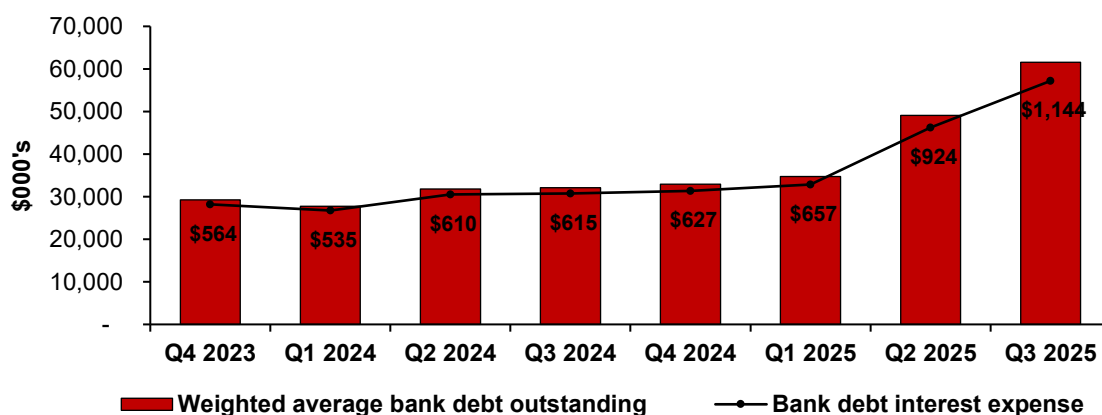
Note:

(1) Specified financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

Net finance expense for the third quarter of 2025 totaled \$1,741,000, compared to \$775,000 in the same period of 2024. Cash finance expenses were \$1,422,000, up \$730,000, primarily due to higher interest on bank debt, reflecting a 92 percent increase in the weighted average bank debt during the quarter from \$32.1 million to \$61.6 million. Non-cash finance expenses increased by \$236,000 to \$319,000 in the third quarter of 2025, compared to the same period of 2024, primarily due to \$167,000 of fees related to the issuance of the Debenture.

For the nine months ended September 30, 2025, net finance expenses totaled \$4,073,000, an increase of 84 percent compared to \$2,215,000 in the same period of 2024. Cash finance expenses increased 61 percent, or \$1,218,000, primarily due to higher interest on bank debt. Non-cash finance expenses rose by \$640,000 to \$848,000, predominately reflecting increased accretion on the associated bank debt. The increases in both cash and non-cash finance expenses were largely attributable to higher bank debt levels following the Company's \$30 million term loan obtained in May 2025 to fund the Acquisition.

Bank Debt and Interest Expense



Further details on the bank debt and Debenture are provided in the "*Liquidity and Capital Resources*" section of this MD&A.

Transaction expense

Touchstone recognized \$169,000 and \$471,000 in transaction costs pursuant to the Acquisition during the three and nine months ended September 30, 2025, respectively.

In connection with a prior year terminated acquisition, the Company incurred \$722,000 and \$1,942,000 in transaction expenses during the three and nine months ended September 30, 2024, respectively.

Exploration expense

Touchstone incurred \$20,000 and \$44,000 in exploration expenses during the three and nine months ended September 30, 2025, respectively (2024 - \$61,000 and \$231,000). The costs related to lease maintenance expenditures in the Royston exploration area of the Ortoire block.

Foreign exchange and foreign currency translation

Touchstone's presentation currency is the United States dollar. The parent company has a Canadian dollar functional currency while Trinidadian subsidiaries have Trinidad and Tobago dollar functional currencies. In each reporting period, the change in values of the C\$ and TT\$ relative to the US\$ reporting currency are recognized.

The applicable foreign exchange ("FX") rates used to translate the Company's TT\$ and C\$ denominated items are summarized in the following table.

Applicable FX rates	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
US\$:C\$ average FX rate ⁽¹⁾	1.377	1.365	1	1.399	1.361	3
US\$:TT\$ average FX rate ⁽²⁾	6.749	6.749	-	6.750	6.749	-
	September 30, 2025	June 30, 2025	% change	September 30, 2025	December 31, 2024	% change
US\$:C\$ closing FX rate ⁽¹⁾	1.392	1.361	2	1.392	1.440	(3)
US\$:TT\$ closing FX rate ⁽²⁾	6.755	6.736	-	6.755	6.747	-

Notes:

- (1) Source: TSX InfoSuite average daily exchange rates for the specified periods and daily exchange rates for the specified dates.
- (2) Source: Central Bank of Trinidad and Tobago average daily buying and selling exchange rates for the specified periods and average daily buying and selling exchange rates for the specified dates.

The revenues and expenses of Canadian head office and Trinidadian operations are translated to US\$ at the average monthly exchange rates relative to the date of the transactions. Fluctuations in the exchange rate between the TT\$ and the US\$ and the C\$ to US\$ could have a material effect on the Company's reported results. Refer to the "*Market Risk Management - Foreign currency risk*" section of this MD&A for further information.

During the three and nine months ended September 30, 2025, the C\$ depreciated 1 percent and 3 percent against the US\$, respectively, in comparison to the corresponding average exchange rates observed in the 2024 equivalent periods. Relative to the US\$, the TT\$ remained within a stable range during the three and nine months ended September 30, 2025 and 2024. Touchstone recorded foreign exchange gains of \$99,000 and \$263,000 during the three and nine months ended September 30, 2025, respectively (2024 - \$120,000 loss and \$51,000 loss). Foreign exchange gains and losses include amounts that are unrealized in nature and may be reversed in the future as a result of fluctuations in prevailing exchange rates.

The assets and liabilities of the parent company and subsidiaries are translated into US\$ at the closing exchange rate in effect on the reporting date for presentation purposes, with all foreign currency differences recorded in other comprehensive loss.

Relative to the US\$, on September 30, 2025 the C\$ closed 2 percent weaker versus June 30, 2025 and 3 percent stronger in comparison to December 31, 2024. As of September 30, 2025, the TT\$ remained stable relative to the US\$ over the corresponding periods. The Company recognized foreign currency translation losses of \$618,000 and \$233,000 during the three and nine months ended September 30, 2025, respectively (2024 - \$120,000 loss and \$275,000 loss).

Share-based compensation

Touchstone has a stock option plan (the "Legacy Stock Option Plan") pursuant to which options to purchase common shares of the Company were granted by the Board to directors, officers, and employees of Touchstone. Touchstone adopted an omnibus incentive compensation plan in June 2023 (the "Omnibus Plan") which replaced the Legacy Stock Option Plan and was adopted to allow the Company to award stock options, restricted share units ("RSUs") and performance share units ("PSUs") to directors, officers, employees and consultants. For a full description of Touchstone's share-based compensation plans, refer to Note 16 "*Share-based Compensation Plans*" of the interim financial statements.

Stock option plans

No additional stock options will be granted under the Legacy Stock Option Plan, and all outstanding stock options previously issued thereunder will continue to be governed by such plan and will continue to vest in accordance with their existing vesting schedules. As of September 30, 2025, Touchstone had 8,487,000 stock options outstanding under both plans (December 31, 2024 - 11,731,000). During the nine months ended September 30, 2025, 1,192,000 stock options were forfeited and 2,052,000 stock options expired out of the money.

Long-term incentive plans

Share awards in the form of RSUs and PSUs are awarded to executive officers and key employees under the Company's Omnibus Plan. Unless otherwise determined by the Board, RSUs vest one third on each of the next three anniversaries of the grant date and the number of share awards are fixed. The PSUs cliff vest on the third anniversary of the grant date, and the number of share awards are variable based on predefined corporate performance measures. Each award may, in the Board's sole discretion, entitle the holder to be issued the number of Company common shares designated in the award, receive a payment in cash or a combination of the two.

All RSUs and PSUs are currently accounted for as cash settled, with the obligation accrued as an expense over the vesting period based on the fair value of the awards, being the underlying common share price at each financial period end.

On August 25, 2025, the Company granted 3,537,139 RSUs and 3,423,974 PSUs to its executive officers and key employees. An aggregate 469,574 RSUs vested and were settled in cash on August 25, 2025. As of September 30, 2025, Touchstone had 4,476,282 RSUs and 4,782,691 PSUs outstanding under the Omnibus Plan (December 31, 2024 - 1,447,780 and 1,397,780, respectively).

The Company offers a deferred share unit plan to non-employee directors. The deferred share units ("DSUs") fully vest on the grant date but are only available for redemption when the director ceases to be a member of the Board. The fair value of the cash settled DSUs was equal to the underlying common share price on the grant date and are subsequently adjusted to the underlying share price at each financial period end.

On August 25, 2025, the Company issued 1,476,424 DSUs to its non-employee directors. As of September 30, 2025, 2,453,756 DSUs were outstanding (December 31, 2024 - 977,322).

The following table summarizes share-based compensation expense recognized in the periods indicated.

(\$000's)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Equity-settled (stock options)	95	232	(59)	244	968	(75)
Cash-settled (share awards)	274	549	(50)	224	549	(59)
Capitalized expense	(8)	(30)	(73)	(26)	(56)	(54)
Share-based compensation expense	361	751	(52)	442	1,461	(70)

Share-based compensation expense was \$361,000 in the third quarter of 2025, a 52 percent decrease from the \$751,000 recorded in the prior year comparative quarter. On a year-to-date basis, total share-based compensation expense decreased by 70 percent to \$442,000.

Equity-settled expense (related to stock options) declined significantly in both periods, primarily due to the forfeiture of unvested options from employee departures, as well as the absence of new stock option grants in both 2024 and 2025.

Cash-settled share-based compensation includes expenses associated with the Company's long-term incentive plans, comprising RSUs, PSUs (which may be settled in cash or equity), and cash-settled DSUs.

During the three and nine months ended September 30, 2025, the Company recognized additional expenses of \$385,000 and \$579,000, respectively, related to the vesting of RSUs and PSUs as well as the August 2025 grant of DSUs. These were partially offset by reductions in the underlying liability of \$111,000 and \$355,000, respectively, due to a decline in the Company's share price as at September 30, 2025, compared to June 30, 2025 and December 31, 2024.

As of September 30, 2025, the Company recognized a \$653,000 share-based compensation liability, of which \$500,000 was classified as current and included in accounts payable and accrued liabilities on the consolidated balance sheet (December 31, 2024 - \$500,000 and \$383,000, respectively).

Depletion and depreciation expense

(\$000's except per boe amounts)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Depletion expense	3,789	1,636	100	8,398	4,907	71
Depreciation expense	231	880	(74)	698	1,643	(58)
Depletion and depreciation expense	4,020	2,516	60	9,096	6,550	39
Depletion expense per boe ⁽¹⁾	8.01	3.41	100	6.66	3.04	100

Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

For the three and nine months ended September 30, 2025, depletion expense related to petroleum and natural gas development assets included within property, plant and equipment ("PP&E") increased by \$2,153,00 and \$3,491,000, respectively, compared to the same periods of 2024.

The increase in depletion expense for the three and nine months ended September 30, 2025, was primarily attributable to incremental charges of \$2,121,000 and \$3,000,000, respectively, recorded in relation to the Central field acquired in May 2025. In addition, 2025 depletion reflected the impact of lower reserve volumes

and higher estimated future development costs associated with the Cascadura field as at December 31, 2024. These factors were partially offset by lower production volumes at Cascadura during the 2025 periods.

On a per boe basis, depletion expense increased by \$4.60 per boe and \$3.62 per boe for the three and nine-month periods ended September 30, 2025, respectively, compared to the same periods in the prior year. These increases were primarily driven by the factors noted above in addition to year-over-year production declines of 1 percent and 22 percent, respectively.

Depreciation expense for the three and nine months ended September 30, 2025, decreased by 74 percent and 58 percent, respectively compared to the same periods of 2024. The decreases were primarily attributable to lower net asset carrying values associated with lease right-of-use assets, and a one-time depreciation charge recorded in the comparative period relating to the expiration of the initial term of a drilling services lease arrangement.

Impairment of non-financial assets

Exploration and evaluation ("E&E") asset impairment

No impairment charges related to E&E assets were recognized during the three and nine months ended September 30, 2025. In the comparative periods of 2024, the Company recorded an impairment reversal of \$9,000 and an impairment expense of \$19,000, respectively, primarily relating to the Royston area of the Ortoire block.

PP&E impairment

As at September 30, 2025, the Company assessed its petroleum and natural gas development assets included in PP&E for indicators of impairment or reversal of impairment. Based on this assessment, Management concluded that it was not necessary to estimate the recoverable amount for any of its cash-generating units.

On March 31, 2024, Touchstone performed an impairment test on the CO-2 property prior to classifying the assets and related liabilities to held for sale. The impairment test resulted in a pre-tax impairment expense of \$474,000 recorded during the nine months ended September 30, 2024.

Income taxes

Current income tax

(\$000's except per boe amounts)	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% change	2025	2024	% change
Petroleum profits tax	859	(66)	n/a	899	133	100
Unemployment levy	74	(26)	n/a	90	51	76
Other taxes	87	243	(64)	368	886	(58)
Current income tax expense	1,020	151	100	1,357	1,070	27
\$ per boe ⁽¹⁾	2.16	0.32	100	1.08	0.66	64

Note:

(1) Supplementary financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

For the three and nine months ended September 30, 2024, current income tax expenses were \$1,020,000 and \$1,357,000, respectively, compared to \$151,000 and \$1,070,000 for the same periods in 2024. The increase in current income tax expense for the third quarter and on a year-to-date basis predominantly

reflected net taxable profits generated from the Central field, partially offset by a reduction in withholding taxes on intercompany transactions.

Deferred income tax

For the three and nine months ended September 30, 2025, the Company recognized deferred income tax recoveries of \$2,121,000 and \$3,064,000, respectively, compared to deferred income tax recoveries of \$1,488,000 and \$2,178,000 for the same periods in 2024. The increase in deferred tax recoveries was primarily attributable to a widening variance between the carrying amounts and the income tax bases of PP&E assets and decommissioning liabilities from December 31, 2024 and June 30, 2025 to September 30, 2025.

Net (loss) earnings

The Company reported a net loss of \$2,064,000 (\$0.01 per share) in the third quarter of 2025, compared to net earnings of \$1,847,000 (\$0.01 per share) in the same period of 2024.

For the nine months ended September 30, 2025, the Company recorded a net loss of \$2,733,000 (\$0.01 per share), compared to net earnings of \$8,814,000 (\$0.04 per share) in the corresponding period of 2024.

The following table sets forth details of the change in net earnings (loss) from the three and nine months ended September 30, 2024 to the three and nine months ended September 30, 2025.

(\$000's)	Three months ended September 30,	Nine months ended September 30,
Net earnings – 2024	1,847	8,814
Cash items		
Funds flow from operations	(2,289)	(8,386)
Decommissioning expenditures	(19)	(19)
Cash variances	(2,308)	(8,405)
Non-cash items		
Non-cash finance expense	(236)	(640)
Gain on asset disposition	(782)	(2,317)
Unrealized foreign exchange	(95)	(37)
Share-based compensation expense	390	1,019
Depletion and depreciation expense	(1,504)	(2,546)
Impairment	(9)	493
Deferred income tax	633	886
Non-cash variances	(1,603)	(3,412)
Net loss – 2025	(2,064)	(2,733)

Cash from operating activities

The following table details the change in cash from operating activities from the three and nine months ended September 30, 2024 to the three and nine months ended September 30, 2025.

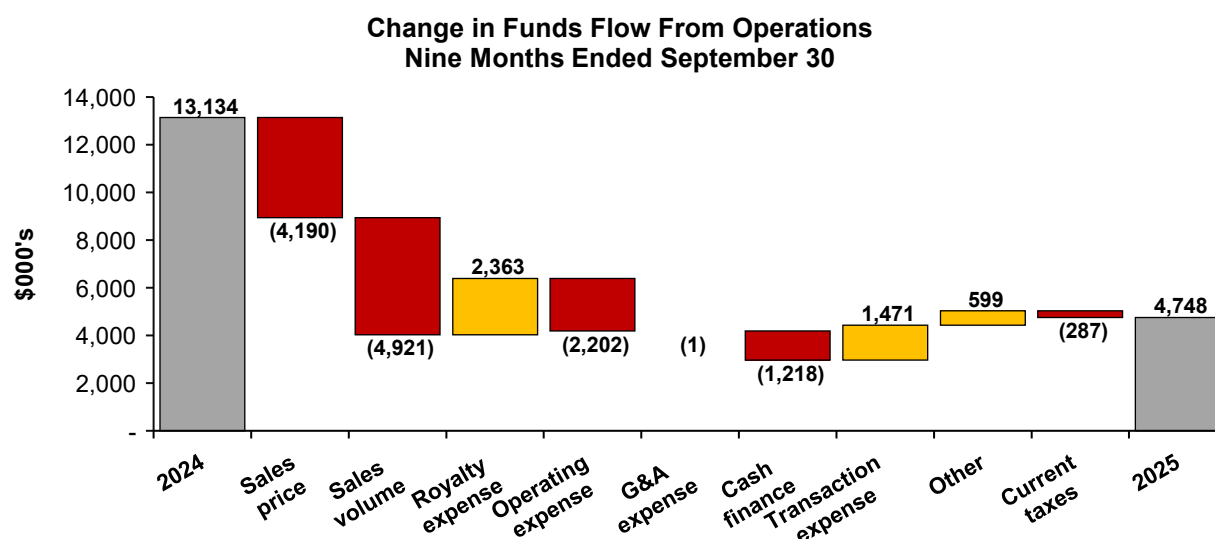
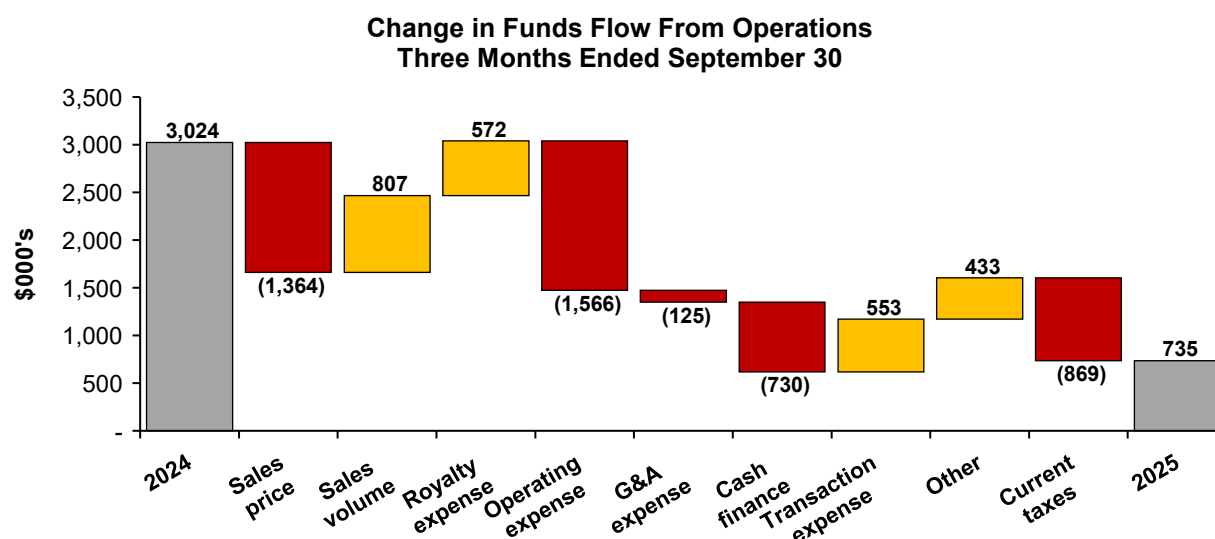
(\$000's)	Three months ended September 30,	Nine months ended September 30,
Cash from operating activities – 2024	3,607	12,359
Decrease in funds flow from operations	(2,289)	(8,386)
Net change in non-cash working capital	3,532	6,254
Cash from operating activities – 2025	4,850	10,227

Funds flow from operations

Funds flow from operations is included in the Company's consolidated statements of cash flows. Touchstone considers funds flow from operations to be a key measure of operating performance as it demonstrates the Company's ability to generate the funds necessary to finance capital expenditures and repay debt. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow from operations provides a useful measure of the Company's ability to generate cash that is not subject to short-term movements in non-cash operating working capital.

Funds flow from operations totaled \$735,000 in the third quarter of 2025, a decrease of \$2,289,000 from \$3,024,000 recorded in the same period of 2024. On a year-to-date basis, funds flow from operations was \$4,748,000 in 2025, compared to \$13,134,000 in the corresponding period of 2024. Relative to the corresponding 2024 periods, the decline primarily reflected lower operating netbacks, higher cash finance expenses, and increased current income taxes, partially offset by lower transaction costs and reduced realized foreign exchange gains.

The following graphs summarize the changes in funds flow from operations from the three and nine months ended September 30, 2024 to the three and nine months ended September 30, 2025.



Capital Expenditures

E&E asset expenditures

E&E asset expenditures include asset additions in areas that have been determined to be in the exploration phase, which include the Company's interests in the Charuma, Cipero, Ortoire and Rio Claro blocks. E&E asset expenditures during the respective periods are summarized in the following table.

(\$000's)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Licence financial obligations	397	448	(11)	1,155	547	100
Geological and geophysical	5	-	n/a	65	-	n/a
Drilling, completions and well testing	-	4	(100)	-	73	(100)
E&E asset expenditures	402	452	(11)	1,220	620	97

During the three and nine months ended September 30, 2025, E&E asset expenditures were \$402,000 and \$1,220,000, respectively, primarily reflecting financial obligations associated with the Company's exploration licenses.

Third quarter and year-to-date 2024 E&E asset expenditures were \$452,000 and \$620,000 respectively, which similarly reflected exploration license financial obligations.

PP&E expenditures

(\$000's)	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2025		% change	2025		% change
Drilling and completions	8,835	1,780	100	19,099	12,743	50
Equipment and facilities	270	583	(54)	289	5,574	(95)
Capitalized G&A	91	148	(39)	280	302	(7)
Corporate and other	4	105	(96)	46	1,334	(97)
PP&E expenditures	9,200	2,616	100	19,714	19,953	(1)

2025 PP&E expenditures totaled \$9,200,000 for the third quarter and \$19,714,000 on a year-to-date basis, reflecting continued focus on development activities within the Cascadura field. Third quarter 2025 spending was primarily directed toward the continuation of the Cascadura-4 development well which had been suspended in the first quarter of 2025, as well as advancing the Cascadura facility compression project. Expenditures in the first half of 2025 were largely related to the initial drilling and subsequent sidetrack of Cascadura-4 and drilling the Cascadura-5 development well.

Third quarter and year-to-date 2024 PP&E expenditures were \$2,616,000 and \$19,953,000, respectively, as Touchstone's capital program continued to remain focused predominantly on development activities within the Cascadura field. Third quarter investments included the initial completions of the Cascadura-2ST1 and Cascadura-3ST1 development wells, construction of the Cascadura B lease, and continued construction of the flowline from the Cascadura C surface location to the Cascadura natural gas processing facility. Through September 30, 2024, the Company drilled two Cascadura development wells and two development wells on the CO-1 block.

Decommissioning Liabilities and Abandonment Funds

The Company's decommissioning and reclamation liabilities relate to future site restoration and well abandonment costs including the costs of production equipment removal and land reclamation based on current Trinidad environmental regulations. The estimates are reviewed at least quarterly and adjusted as new information regarding the liability is determined and include assumptions in respect of actual costs to

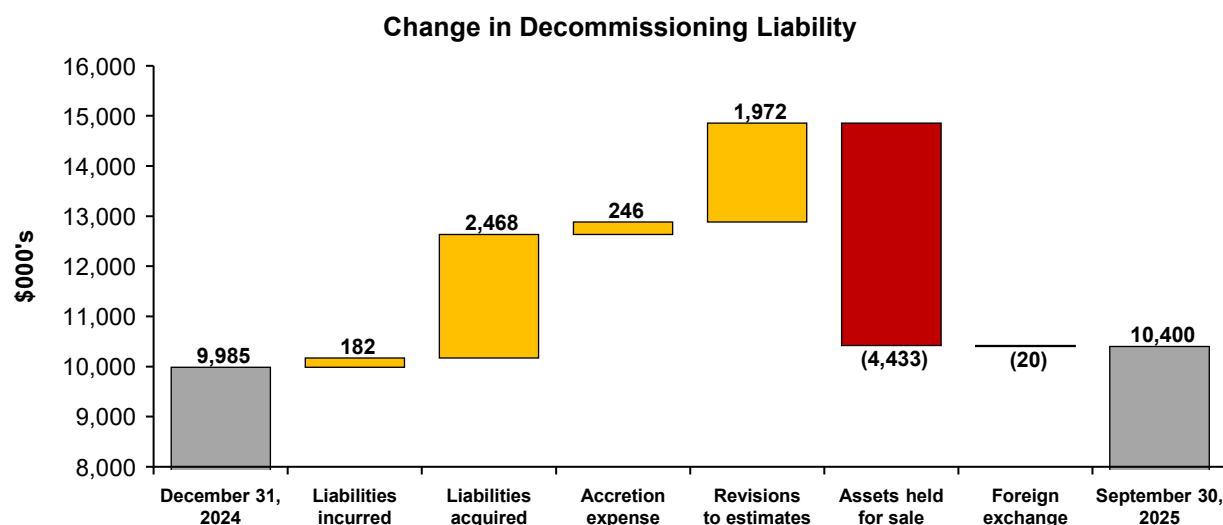
abandon wells and facilities and reclaim a property, the time frame in which such costs will be incurred, historical well production and annual inflation factors.

Pursuant to production and exploration licences with the Government of the Republic of Trinidad and Tobago's Ministry of Energy and Energy Industries ("MEEI") and operating agreements with Heritage, Touchstone is obligated to remit specified dollar amounts per barrel or boe sold into various escrow accounts. As of September 30, 2025, \$9,356,000 of accrued or paid contributions into MEEI and Heritage abandonment funds were recorded as long-term abandonment fund assets (December 31, 2024 - \$2,965,000), which included \$6,009,000 in abandonment fund assets acquired from the Acquisition.

Touchstone estimated the net present value of the cash flows required to settle decommissioning liabilities to be \$10,400,000 at September 30, 2025 compared to \$9,985,000 as of December 31, 2024. The change primarily reflected \$2,468,000 in decommissioning liabilities assumed through the Acquisition, offset by \$4,433,000 in decommissioning liabilities classified as held for sale. Decommissioning liabilities as of September 30, 2025 were estimated using a weighted average long-term risk-free rate of 5.7 percent and a long-term inflation rate of 1.9 percent (December 31, 2024 - 5.5 percent and 1.9 percent, respectively). For the three and nine months ended September 30, 2025, the Company recognized accretion expenses of \$95,000 and \$246,000, respectively, associated with the passage of time (2024 - \$57,000 and \$166,000).

Decommissioning liability details as at and during the nine months ended September 30, 2025, excluding those classified as held for sale, are summarized in the following table and graph.

Number of well locations (net)	Number of facility locations (net)	Undiscounted balance (\$000's)	Inflation adjusted balance (\$000's)	Discounted balance (\$000's)
388.8	4.1	13,577	15,727	10,400



Environmental stewardship is a core value at Touchstone, and abandonment and reclamation activities are made in a prudent, responsible manner with the oversight of the Board and in accordance with local regulations. Decommissioning liabilities are considered critical accounting estimates. There are significant uncertainties related to future decommissioning expenditures, and the impact on the Company's consolidated financial statements could be material. The eventual timing of and costs for these expenditures could differ from current estimates. Further information regarding decommissioning liabilities is included in Note 11 "Decommissioning Liabilities and Abandonment Fund" of the interim financial statements.

Liquidity and Capital Resources

Liquidity

The Company's policy is to maintain a strong capital base to preserve investor, creditor, and market confidence and to sustain the future development of its business. Touchstone considers its capital structure to include shareholders' equity, working capital and bank debt. Exploration and development activities are anticipated to be financed with a combination of funds flow from operations and other sources of capital. The Company uses shareholders' equity and bank debt as its primary sources of capital.

The Debenture forms part of the Company's overall capital structure and was used to support development activities and working capital requirements. While the introduction of the Debenture has increased the Company's financial leverage and future interest obligations, it also provides potential equity funding through conversion.

Touchstone's near-term development strategy is focused on increasing operating cash flows through continued development activities. The Company will continue to take a measured approach to future development and exploration capital expenditures to manage financial liquidity while proceeding with this plan.

As at September 30, 2025, the Company had a cash balance of \$12,685,000, a working capital deficit of \$28,341,000, and a principal long-term bank debt balance of \$48,518,000, with no remaining borrowing capacity under its revolving loan facility (refer to the "*Bank Debt*" section below). The continued working capital deficit as at September 30, 2025 was primarily driven by capital expenditures invested during the nine months ended September 30, 2025, as well as the \$11,685,000 Debenture carrying value that is long-term in nature and classified as current on the consolidated balance sheet. In October 2025, the Company completed a gross \$9.1 million private placement (refer to the "*Private Placement*" section of this MD&A). The net proceeds from the private placement are intended to finance the Company's remaining 2025 development plan and to settle outstanding accounts payable related to these prior capital activities.

The following table summarizes changes in the Company's cash balance during the specified periods.

(\$000's)	Three months ended September 30 2025,	Nine months ended September 30, 2025
Net cash from (used in):		
Operating activities	4,850	10,227
Investing activities	(7,712)	(42,486)
Financing activities	9,087	38,161
Change in cash	6,225	5,902
Cash, beginning of period	6,340	6,744
Impact of FX on cash balances	120	39
Cash, end of period	12,685	12,685

Bank debt

On May 12, 2025, the Company entered into a Fourth Amended and Restated Loan Agreement (the "Loan Agreement") with its existing Trinidad-based lender, which includes the following key terms:

- a new \$30 million six-year non-revolving term loan facility ("Term Loan Facility 3"), with no principal payments due during the first eleven months, followed by twenty-one equal quarterly repayments;
- a waiver of the debt service coverage financial covenant for the 2025 financial year; and
- a two-year extension of the maturity date of the existing revolving loan facility, with optional two-year renewal periods subject to mutual agreement.

Touchstone fully drew the \$30 million available under Term Loan Facility 3 on May 12, 2025 to finance the Acquisition and to satisfy obligations under the amended lending arrangements.

As at September 30, 2025, the Company had a \$30 million non-revolving term loan ("Term Loan Facility 1"), a \$10 million non-revolving term loan ("Term Loan Facility 2"), the \$30 million non-revolving Term Facility 3 and a \$10 million revolving loan facility pursuant to the Loan Agreement. Details of the facilities pursuant to the Loan Agreement are summarized as follows.

Facility	Term Loan Facility 1	Term Loan Facility 2	Term Loan Facility 3	Revolving loan
Amount	\$30,000,000	\$10,000,000	\$30,000,000	\$10,000,000
Inception date	June 15, 2020	May 1, 2024	May 12, 2025	June 1, 2023
Maturity date	June 15, 2027	April 30, 2029	May 12, 2031	May 12, 2027 – the parties have the option to extend by additional two-year periods
Interest rate	7.85 percent per annum	6.08 percent through April 30, 2026 – reset annually	8.21 percent through May 11, 2026 – reset annually	6.09 percent through May 31, 2026 – reset annually
Interest payments	Payable quarterly in arrears	Payable monthly in arrears	Payable quarterly in arrears	Payable monthly in arrears
Principal payments	Twenty \$1.5 million quarterly payments from September 15, 2022 to June 15, 2027; additional principal may be repaid with no penalty	Sixteen \$625,000 quarterly payments from July 31, 2025 to April 30, 2029; additional principal may be repaid with a 1 percent penalty during the initial three years	Twenty-one \$1.43 million quarterly payments from May 12, 2026 to May 12, 2031; additional principal may be repaid with a 1 percent penalty during the initial three years	Principal may be repaid at any time, on or before the maturity date without penalty and any amounts repaid may be redrawn at any time
Sept. 30, 2025 principal balance	\$10,500,000	\$9,375,000	\$30,000,000	\$10,000,000
Sept. 30, 2025 available credit capacity	\$nil	\$nil	\$nil	\$nil

The Loan Agreement is principally secured by a pledge of equity interests and fixed and floating security interests over all present and after acquired assets of Touchstone's three Trinidad upstream oil and gas subsidiaries. The Loan Agreement includes customary representations and warranties, affirmative and negative covenants, events of default, and annual financial covenant requirements, all assessed on a consolidated basis and unchanged from December 31, 2024. Pursuant to the Loan Agreement, a failure of any covenant constitutes an event of default, upon where the lender can declare the principal balance and any accrued interest immediately due and payable. As at September 30, 2025, the Company was compliant with all covenants provided for in the Loan Agreement.

The Company routinely reviews all operational and financial covenants based on actual and forecasted results and can amend development and exploration plans to comply with the covenants. Touchstone is committed to having an adaptable capital expenditure program that can be adjusted to a tightening of liquidity sources if necessary.

Based on current forecasts, the Company forecasts a breach of its net senior funded debt to trailing annual EBIDA financial covenant. Subsequent to September 30, 2025, Touchstone received a waiver from its lender, which waives the testing of the covenant for the year ended December 31, 2025.

Under the terms of the Loan Agreement, Touchstone was required to raise not less than approximately \$7.3 million in equity proceeds (net of selling commissions) on or before December 31, 2025. This requirement was fulfilled through a private placement completed on October 30, 2025 (refer to the "*Private Placement*" section of this MD&A).

At all times, the Company must maintain a cash reserves balance related to the three term loan facilities pursuant to the Loan Agreement. Accordingly, Touchstone classified \$2,680,000 of cash as non-current restricted on the consolidated balance sheet as of September 30, 2025 (December 31, 2024 - \$924,000).

Further information regarding bank debt is included in Note 9 "*Bank Debt*" of the interim financial statements, and copies of the Loan Agreement and amendments are available on the Company's profile on SEDAR+ (www.sedarplus.ca).

Convertible debenture

On August 8, 2025, the Company completed a \$12.5 million private placement of a secured convertible debenture bearing interest at 5 percent per annum and maturing in August 2028. The Debenture is convertible at the holder's option at any time prior to maturity at a conversion price of approximately US\$0.22 per common share, equivalent to C\$0.30 per share at the issue date. Interest is payable semi-annually in cash or, subject to TSX approval, in common shares.

In connection with the financing, the Company paid a 5 percent placement fee and issued 6,250,000 detachable warrants exercisable at C\$0.40 per share for two years. The Debenture is secured by a general security agreement over all present and after-acquired personal property and a share charge over the Company's Barbados subsidiary.

In connection with the issuance, the Company paid a 5 percent placement fee in cash and issued 6,250,000 warrants to the investor. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of C\$0.40 per share for a period of two years from the date of issuance.

Proceeds from the financing supported the completion of the Company's Cascadura development drilling activities and Cascadura-5 tie-in operations, as well as servicing past due accounts payable balances.

The Debenture was designated as a hybrid financial instrument measured at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. On issuance, the Debenture was recognized at \$11,606,000, representing the gross proceeds net of the placement fee and the fair value of the detachable warrants, which were valued at \$269,000 using the Black-Scholes option pricing model and recorded in equity. Subsequent changes in the Debenture's fair value are recognized in net finance expense, while the warrants are not subsequently remeasured.

In addition to the placement fee, \$167,000 of other issuance fees were expensed to net finance expense during the three and nine months ended September 30, 2025.

As at September 30, 2025, the fair value of the Debenture remained \$11,606,000, reflecting an unchanged common share price and the short period since issuance. Although the Debenture matures in 2028, it is classified as a current liability as it is convertible at the holder's option at any time prior to maturity.

Further information regarding the Debenture and the related accounting treatment is included in Note 10 "*Convertible Debenture*" of the interim financial statements, and a copy of the Debenture is available on the Company's profile on SEDAR+ (www.sedarplus.ca).

Shareholders' equity

The Company is authorized to issue an unlimited number of voting common shares without nominal or par value. From time to time, Touchstone may access capital markets to meet its additional financing needs and to maintain flexibility in funding its capital programs.

The following table summarizes outstanding common shares, share-based awards, and warrants that may be settled in common shares as at the date of this MD&A, September 30, 2025 and December 31, 2024.

	November 12, 2025	September 30, 2025	December 31, 2024
Common shares outstanding	324,733,609	261,097,246	236,460,661
Stock options outstanding	8,324,668	8,487,000	11,731,000
RSUs outstanding ⁽¹⁾	3,845,109	4,476,282	1,447,780
PSUs outstanding ⁽¹⁾⁽²⁾	4,083,309	4,782,691	1,397,780
Warrants outstanding	6,250,000	6,250,000	-
	347,236,695	285,093,219	251,037,221

Notes:

- (1) The RSUs and PSUs may be settled in cash, the issuance of Company common shares, or a combination of both at the discretion of the Board. Both share awards are currently accounted for as cash settled.
- (2) Based on the notional common shares underlying the awards before any effect of the performance multiplier.

On May 8, 2025, the Company announced a United Kingdom-based private placement to raise gross proceeds of £15,375,000 through the issuance of up to 75,000,000 new common shares at a price of 20.5 pence sterling per share (approximately C\$0.38 per share). On May 16, 2025, the full allotment of shares was issued to the broker's settlement agent to be held in trust pending receipt of funds.

During May 2025, the Company received gross proceeds of £5,051,000 million (\$6,746,000) and issued 24,636,585 common shares to participating investors. Net proceeds from this tranche totalled \$5,221,000, after deducting transaction costs.

As previously announced, the remaining subscription funds were not received by the closing deadline. The Company cancelled the balance of the placement on June 30, 2025. Consequently, 50,363,415 common shares were cancelled, reducing the total number of issued and outstanding common shares to 261,097,246.

Subsequent to September 30, 2025, the Company completed a private placement raising gross proceeds of approximately \$9.1 million (£7 million) by issuing an aggregate of 63,636,363 new common shares (refer to the "Private Placement" section of this MD&A).

Further information regarding the Company's share-based compensation plans and expense is included in the "Financial and Operational Results - Share-based compensation" section of this MD&A and in Note 16 "Share-Based Compensation Plans" of the interim financial statements.

Capital management

Management's long-term strategy is to maintain a strong and flexible capital structure that supports operational and strategic objectives. In a normalized commodity price environment, Management's objective is to maintain a net debt to trailing twelve-month funds flow from operations ratio at or below 2.0 times. This ratio may temporarily exceed the target due to periods of elevated capital spending, acquisitions, or weaker commodity prices. Management also monitors its capital structure using the net debt to managed capital ratio, with a strategy of maintaining a higher proportion of equity than debt. Accordingly, Management's target is to keep this ratio below 0.4 to 1.

The following table outlines Touchstone's internal capital management metrics as at the dates indicated.

(\$000's)	Target measure	September 30, 2025	December 31, 2024
Net debt ⁽¹⁾		77,753	29,109
Shareholders' equity		71,596	68,828
Managed capital ⁽¹⁾		149,349	97,937
Trailing twelve-month funds flow from operations ⁽²⁾		8,362	16,748
Net debt to funds flow from operations ratio⁽¹⁾	At or < 2.0 times	9.30	1.74
Net debt to managed capital ratio⁽¹⁾	< 0.4 times	0.52	0.30

Note:

(1) Specified financial measure. Refer to the "Advisories - Non-GAAP Financial Measures" section of this MD&A.

(2) Trailing twelve-month funds flow from operations as at September 30, 2025 includes the sum of funds flow from operations for the nine months ended September 30, 2025 and funds flow from operations for the October 1, 2024 through December 31, 2024 interim period.

The Company's net debt to trailing twelve-month funds flow from operations ratio of 9.3 times as at September 30, 2025 exceeded the Company's long-term target. This temporary increase primarily reflected the significant growth in net debt resulting from the issuance of the Debenture and higher non-current bank debt during the nine months ended September 30, 2025 to fund the Acquisition and capital expenditures. In addition, funds flow from operations for the trailing twelve-month period was lower compared to prior periods due to decreased production volumes from natural declines. The Company continues to monitor its capital structure and expects the ratio to move closer to target levels as production from the wells drilled in 2025 come online and remaining 2025 development activities advance.

Contractual Obligations and Commitments

Touchstone has contractual obligations in the normal course of business which include minimum work obligations under various operating agreements with Heritage, exploration commitments under various exploration and production licences with the MEEI, and various lease commitments. The following table outlines the Company's estimated minimum contractual payments as at September 30, 2025.

(\$000's)	Total	Estimated payments due by year			
		2025	2026	2027	Thereafter
Operating agreement commitments					
CO-1 block	4,527	13	2,745	1,448	321
WD-4 block	4,330	13	2,708	1,410	199
WD-8 block	4,231	9	2,691	1,392	139
Balata East block	3,247	145	1,403	78	1,621
Fyzabad block	594	79	81	83	351
Coho area of Ortoire block	364	5	2	23	334
Cascadura area of Ortoire block	658	9	4	42	603
Central block	4,853	130	690	727	3,306
Exploration block commitments					
Charuma block	9,046	125	744	786	7,391
Cipero block	22,847	52	346	5,562	16,887
Ortoire block	10,436	166	10,270	-	-
Rio Claro block	17,895	398	366	5,582	11,549
Office and equipment leases	1,174	105	224	229	616
Minimum payments	84,202	1,249	22,274	17,362	43,317

Under the terms of its Heritage operating agreements, Touchstone is obligated to fulfill minimum work commitments on an annual basis over the specific licence term. With respect to these obligations, Touchstone is required to drill six development wells in 2025. The Company is in active discussions with Heritage to evaluate potential alternatives for meeting its drilling obligations.

As of September 30, 2025, Touchstone is obligated to drill an aggregate ten exploration wells on its exploration properties through 2029.

The Company is a party to lease arrangements for a drilling rig, office facilities, vehicles, and equipment. As of September 30, 2025, Touchstone recognized \$4,722,000 in aggregate lease liabilities, of which \$3,073,000 was classified as non-current on the consolidated balance sheet (December 31, 2024 - \$5,866,000 and \$4,368,000, respectively). Further information regarding the Company's lease obligations is included in Note 8 "*Lease Liabilities*" of the interim financial statements.

Market Risk Management

Touchstone is exposed to normal financial risks inherent in the international oil and natural gas industry including, but not limited to, commodity price risk, foreign exchange rate risk, interest rate risk, credit risk and liquidity risk. The risk exposures are proactively reviewed, and Management seeks to mitigate these risks through various business processes and internal controls.

Management has overall responsibility for the establishment of risk management strategies and objectives. The Company's risk management policies are designed to identify the risks faced by the Company, to set appropriate risk limits, and to monitor adherence to risk limits. Risk management policies are reviewed and revised regularly to reflect changes in market conditions and operating activities. Management of cash flow variability is an integral component of Touchstone's business strategy. Changing business conditions are monitored regularly and, where material, are reviewed with the Board to establish risk management guidelines to be used by Management.

Commodity price risk

The Company's financial performance is significantly influenced by the prices received for its crude oil, NGL and natural gas production. Fluctuations in commodity prices can impact cash flows from operating activities, the valuation of development properties, the timing and scope of capital expenditures, and the Company's ability to meet its financial obligations.

Commodity prices are inherently volatile and are influenced by a variety of global and regional factors, including supply and demand dynamics, geopolitical events, inventory levels, weather patterns, and broader economic conditions. In addition, realized prices for crude oil, NGLs and natural gas are subject to quality differentials and/or international marketing arrangements, which are beyond the Company's control.

The Company does not currently utilize commodity price hedging strategies, as a significant portion of its forecasted natural gas production is subject to a long-term fixed-price contract. Specifically, natural gas produced from the Ortoire block is sold under a fixed-price contract that commenced in October 2022. The contract includes provisions for price renegotiation on each fifth anniversary of the initial production date. Domestic natural gas prices in Trinidad are primarily influenced by local supply and demand, with demand driven largely by the power generation and petrochemical sectors. There is no assurance that future price renegotiations will result in higher prices. A sustained decline in natural gas sales prices would adversely affect the Company's cash flows and financial condition.

The Company continues to actively monitor forward commodity prices and may enter into risk management contracts in the future to mitigate price volatility and protect the funding of capital and exploration programs. In parallel, Touchstone regularly reviews and adjusts its capital plans to reflect prevailing market conditions.

Foreign currency risk

The Company is exposed to foreign currency exchange risk arising from fluctuations in exchange rates that may impact the fair value or future cash flows of financial assets and liabilities. Touchstone does not currently engage in foreign exchange hedging.

As the Company's operations are conducted in Trinidad, fluctuations between the TT\$ and the US\$ may have a material impact on financial results. While crude oil sales are based on US\$ benchmark pricing, most sales invoices are settled in TT\$, creating exposure to TT\$/US\$ exchange rate movements. To mitigate this risk, the Company seeks to match TT\$ revenues with TT\$-denominated expenditures whenever possible by entering into TT\$ contracts.

The Company is also exposed to foreign currency risk on its US\$-denominated debt and related interest payments. However, this exposure is partially mitigated by the informal peg between the TT\$ and the US\$, as well as the fact that all NGL and natural gas sales are denominated and payable in US\$.

Additional exposure arises from cash balances denominated in C\$ and pounds sterling, head office costs incurred in C\$, and administrative expenses payable in pounds sterling related to maintaining the Company's AIM listing. Significant movements in the C\$ /US\$ and the £ /US\$ exchange rates could result in unanticipated fluctuations in reported results.

Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect comprehensive income (loss) and cash flows. The Company's Term Loan Facility 2 and 3 and its revolving loan facility are subject to interest rate risk given the applicable interest rates are reset on an annual basis in relation to the one-year term secured overnight financing rate. The current annual interest rates under Term Loan Facility 2, Term Loan Facility 3 and revolving facility are 6.08 percent, 8.21 percent and 6.09 percent, respectively.

Credit risk

Credit risk arises from the potential that Touchstone may incur a loss if a counterparty to a financial instrument fails to meet its obligation in accordance with the agreed terms. The Company may be exposed to third-party credit risk through contractual arrangements with current or future joint operation partners, marketers of commodities and other parties. Credit risk is considered to be low for the Company's accounts receivable, as Touchstone's credit exposure primarily relate to monthly commodity sales to Trinidad government-owned entities and a major independent oil and gas company, joint interest billings from State-owned Heritage, and value added tax ("VAT") receivables from the Government of the Republic of Trinidad and Tobago ("GOTT").

The following table details the composition and aging of the Company's accounts receivable as of September 30, 2025.

Composition	Counterparty	Balance due (\$000's)	Balance due (%)	Accounts receivable aging	
				Current (\$000's)	Over 90 days (\$000's)
Petroleum and natural gas sales	Heritage, NGC and other	4,002	17	4,002	-
Joint interest billings	Heritage and NGC	2,705	11	2,705	-
VAT	GOTT	7,859	33	1,664	6,195
Finance lease	Third-party lessee	158	1	158	-
Other	Various	690	3	628	62
Amount to be remitted upon collection pursuant to Acquisition	Acquisition seller	8,543	35	8,543	-
Accounts receivable		23,957	100	17,700	6,257

Historically, the Company has carried aged accounts receivable related to VAT in Trinidad. As at September 30, 2025, the balance of past due VAT receivables increased by \$181,000 compared to December 31, 2024. During the nine months ended September 30, 2025, the Company collected \$724,000 of overdue VAT receivables. While the timing of VAT collections remains uncertain due to inconsistent settlement practices, Management continues to believe that the full VAT receivable balance is ultimately collectible, as the Company has not historically incurred losses related to uncollected VAT amounts.

On January 31, 2025, the GOTT issued the Company TT\$ fixed-rate, three-year bonds with a principal amount of approximately \$2,966,000 in settlement of a portion of the outstanding VAT receivables. In September 2025, the Company sold its bonds to a Trinidad-based financial institution for net proceeds of \$2,862,000 plus accrued interest. The transaction resulted in a loss of \$104,000, which was recognized in net finance expense for the three and nine months ended September 30, 2025.

Further details relating to Touchstone's financial assets and credit risk can be found in Note 3 "*Financial Assets and Credit Risk*" of the interim financial statements.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. It also encompasses the risk that assets cannot be liquidated in a timely manner or at a reasonable price. Management monitors the Company's liquidity position on an ongoing basis.

The Company's liquidity management strategy is designed to ensure that sufficient resources are available to meet obligations under both normal and stressed conditions, without incurring unacceptable losses or compromising operational or strategic objectives.

Liquidity and capital structure stewardship are managed through the Company's financial and operational forecasting process. Forecasts are prepared and updated regularly, incorporating assumptions related to expected production volumes, commodity pricing, capital investment programs, operating and general and administrative expenses, royalty and income tax obligations, and other investing and financing activities. These forecasts are revised as necessary to reflect changes in external factors such as commodity prices and regulatory developments, as well as internal factors including capital allocation and production outlook.

The following table sets forth estimated undiscounted cash outflows and financial maturities of Touchstone's financial liabilities as at September 30, 2025.

(\$000's)	Recognized in financial statements	Undiscounted cash outflows ⁽¹⁾	Financial maturity by period		
			Less than 1 year	1 to 3 years	Thereafter
Accounts payable and accrued liabilities ⁽²⁾	Yes – liability	30,018	30,018	-	-
Income taxes payable	Yes – liability	515	515	-	-
Lease liabilities ⁽³⁾	Yes – liability	5,738	2,041	2,225	1,472
Principal balance of bank debt	Yes – liability	59,875	11,357	30,929	17,589
Bank debt interest ⁽⁴⁾	No – recognized as incurred	10,592	4,138	4,594	1,860
Principal balance of Debenture	Yes – liability	12,500	-	12,500	-
Debenture interest	No – recognized as incurred	1,783	625	1,158	-
Share-based compensation liabilities ⁽⁵⁾	Yes – liability	653	500	153	-
Financial liabilities		121,674	49,194	51,559	20,921

Notes:

- (1) Undiscounted cash outflows equal the financial statement carrying values of the associated liabilities except for lease liabilities, bank debt and Debenture.
- (2) Excludes the \$1,649,000 current portion of lease liabilities and the \$500,000 current portion of share-based compensation liabilities.
- (3) Includes the notional interest and principal payments.
- (4) Future interest payments are based on interest rates in effect as of September 30, 2025. Interest rates on three of the Company's four loan facilities are reset annually (refer to the "*Liquidity and Capital Resources - Bank debt*" section of this MD&A).
- (5) Represents accrued obligations related to share-based compensation awards expected to be settled in cash.

To manage the Company's capital structure, Touchstone may reduce its fixed cost structure, adjust capital and exploration spending, issue new equity or seek additional sources of debt financing. Management actively monitors liquidity to ensure that cash flows, potential credit facility capacity and working capital are adequate to support current and future financial liabilities, as well as the Company's capital programs and future work commitments.

Subsequent Event

The Company completed a private placement on October 30, 2025. For further information, refer to the "*Private Placement*" section of this MD&A.

Changes in Accounting Policies Including Initial Adoption

There were no changes in accounting policies during the three and nine months ended September 30, 2025 that had a material effect on the reported comprehensive income (loss) or net assets of the Company.

Standards Issued but Not Yet Effective

There are no standards or interpretations issued, but not yet adopted, that are anticipated to have a material effect on the reported comprehensive income (loss) or net assets of the Company. Details regarding future accounting pronouncements that will affect the Company is included in Note 4 "*Changes to Accounting Policies*" of the audited financial statements.

Off-balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the three and nine months ended September 30, 2025, other than normal course guarantees entered into in the form of parent guarantees to support work commitments on exploration and production licences. Touchstone does not believe it has any guarantees or off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on the Company's financial condition, results of operations, liquidity or capital expenditures, other than the commitments disclosed in the "*Contractual Obligations and Commitments*" section of this MD&A.

Significant Accounting Estimates, Judgements and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires Management to make estimates, judgements, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from estimates, and those differences may be material. The estimates, judgements and assumptions used are subject to updates based on experience and the application of new information. Estimates and underlying assumptions are reviewed on an ongoing basis, and any revisions to accounting estimates are recognized in the period in which the estimates are revised.

A full list of the significant estimates and judgements made by Management in the preparation of the interim and audited financial statements is included in Note 5 "*Use of Estimates, Judgements and Assumptions*" of the audited financial statements. Please also refer to Note 4 "*Business Combination*" of the interim financial statements for a description of the estimates and judgments used to in calculating the preliminary purchase price allocation of the Acquisition and Note 10 "*Convertible Debenture*" of the interim financial statements for a description of the estimates used to fair value the Debenture.

The Company believes it has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Furthermore, past estimates are reviewed and compared to actual results, and actual results are compared to budgets to make more informed decisions on future estimates.

Business Risks

As a participant in the international oil and natural gas industry, the Company is exposed to a variety of risks including, but not limited to, political, operational, financial, and environmental risks. As discussed in the "*Liquidity and Capital Resources*" and "*Market Risk Management*" sections of this MD&A, Touchstone is exposed to normal financial risks inherent in the international oil and natural gas industry including, among others, commodity price risk, foreign exchange rate risk, interest rate risk, credit risk and liquidity risk.

Please refer to the Company's 2024 Annual Information Form dated March 19, 2025 for a full understanding of risks that affect Touchstone, which can be found on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com). Refer to the "*Advisories - Forward-looking Statements*" section in this MD&A for additional information regarding the risks which Touchstone and its business operations are subject to.

Control Environment

Touchstone is required to comply with National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. There were no changes in the Company's internal control over financial reporting during the period beginning on July 1, 2025 and ended September 30, 2025 that had materially affected, or were reasonably likely to materially affect, internal control over financial reporting.

Summary of Quarterly Results

The following is a summary of the Company's unaudited quarterly results for the eight most recently completed fiscal quarters.

Three months ended	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Operational								
Average daily production (boe/d)	5,141	4,399	4,317	5,287	5,211	5,432	7,015	8,504
Net wells drilled	0.8	0.8	-	-	-	1.0	2.6	-
Realized commodity price ⁽¹⁾ (\$/boe)	26.84	27.50	28.60	27.85	27.65	28.50	25.98	26.53
Operating netback ⁽¹⁾ (\$/boe)	12.38	12.59	15.83	14.17	15.46	16.44	16.39	17.54
Financial (\$000's except per share amounts)								
Petroleum and natural gas sales	12,696	11,007	11,113	13,543	13,253	14,090	16,584	20,759
Cash from (used in) operating activities	4,850	(234)	5,611	822	3,607	3,383	5,369	8,512
Funds flow from operations	735	1,433	2,580	3,614	3,024	3,968	6,142	10,489
Net (loss) earnings	(2,064)	(710)	41	(542)	1,847	3,339	3,628	(21,236)
Per share – basic and diluted	(0.01)	(0.00)	0.00	(0.00)	0.01	0.01	0.02	(0.09)
Capital expenditures ⁽¹⁾	9,602	4,659	6,673	3,106	3,068	5,543	11,962	1,186
Acquisition expenditures	-	28,400	-	-	-	-	-	-
Principal balance of bank debt	59,875	62,000	33,500	35,000	32,353	32,000	26,500	28,000
Convertible debenture	12,500	-	-	-	-	-	-	-
Net debt ⁽¹⁾	77,753	63,887	33,330	29,109	29,593	28,674	27,621	22,581
Share Information (000's)								
Weighted average – basic	248,824	242,586	236,461	236,461	235,189	234,959	234,213	234,213
Weighted average – diluted	248,824	242,586	236,461	236,461	236,578	236,364	236,548	234,213
Outstanding shares – end of period	261,097	261,097	236,461	236,461	236,461	236,307	234,213	234,213

Note:

(1) Specified or supplementary financial measure. See the "*Advisories - Non-GAAP Financial Measures*" section of this MD&A.

The oil and natural gas industry is cyclical. The Company's financial position, results of operations and cash flows are principally affected by production levels and commodity prices, particularly crude oil and liquids prices. Commodity price fluctuations can indirectly impact expected production by changing the amount of funds available to reinvest in exploration, development and acquisition activities in the future. Changes in commodity prices impact revenue and cash flow available for exploration and development and the economics of potential capital projects as low commodity prices can potentially reduce the quantities of reserves that are commercially recoverable. The Company's capital program is dependent on cash generated from operating activities and access to capital markets.

The following significant items impacted Touchstone's unaudited financial and operating results over the past eight fiscal quarters:

- In the third quarter of 2025, Touchstone recorded funds flow from operations of \$0.74 million. The decline from the preceding quarter was primarily driven by higher current income taxes, G&A expenses, and cash finance expenses, partially offset by higher operating netbacks. The Company invested \$9.6 million during the quarter, with the majority of expenditures directed toward Cascadura field. In addition, the Company completed a gross \$12.5 million convertible debenture and warrant offering with a Canadian private investor. As a result, Touchstone ended the quarter with net debt of \$77.8 million.
- On May 16, 2025, the Company completed the Acquisition, primarily financed through a new \$30 million term loan facility. As a result, net debt increased by 92 percent to \$63.9 million. The acquired asset contributed approximately 965 boe/d during the quarter, partially offsetting natural production declines resulting in a modest 2 percent increase in total production compared to the prior quarter. Funds flow from operations decreased by \$1.1 million quarter-over-quarter, primarily due to higher operating costs associated with the newly acquired assets.
- In the first quarter of 2025, Touchstone recorded funds flow from operations of \$2.6 million, reflecting a 29 percent decrease from the previous quarter, primarily due to an 18 percent reduction in production. Capital expenditures for the quarter totaled \$6.7 million, which were mainly related to drilling operations at the Cascadura-4 well. As a result, the Company ended the quarter with net debt of \$33.3 million.
- Touchstone recorded funds flow from operations of \$3.6 million in the fourth quarter of 2024, reflecting a 20 percent increase from the prior quarter, as reductions in G&A and transaction expenses fully offset lower operating netbacks. Capital spending totaled \$3.1 million, primarily directed toward the Cascadura field, including the completion of the Cascadura C tie-in project and the Cascadura B location, and the purchase of drilling related inventory. As a result, the Company ended the quarter with a net debt balance of \$29.1 million. Touchstone reported a net loss of \$0.5 million, primarily due to \$2.3 million in pre-tax Ortoire exploration asset impairment expenses and higher depletion expenses following Cascadura reserves reductions.
- In the third quarter of 2024, the Company recorded funds flow from operations of \$3 million, representing a 24 percent decrease from the \$4 million reported in the prior quarter. This decline was due to a 4 percent drop in production and a 3 percent reduction in realized commodity pricing. Capital spending for the quarter totaled \$3.1 million, primarily directed toward the Cascadura field. This included initial completions on the Cascadura-2ST1 and Cascadura-3ST1 wells, progress on the Cascadura C tie-in project, and construction of the Cascadura B location. As a result, Touchstone exited the quarter with a net debt balance of \$29.6 million.
- Funds flow from operations in the second quarter of 2024 was \$4 million, reflecting a 35 percent decrease from the \$6.1 million reported in the previous quarter. This decline was primarily due to a 23 percent drop in production, partially offset by a 10 percent increase in realized commodity pricing. Capital expenditures totaled \$5.5 million, largely focused on advancing the Cascadura C tie-in project and drilling one CO-1 development well. Additionally, on April 16, 2024, the Company entered into an additional \$10 million, five-year non-revolving term loan facility with its existing lender, which was fully drawn on May 1, 2024.

- In the first quarter of 2024, Touchstone recorded funds flow from operations of \$6.1 million, a decrease of \$4.3 million from the previous quarter. This decline was primarily due to an 18 percent reduction in production and a 2 percent decrease in commodity pricing. The Company invested \$12 million in capital expenditures, mainly focused on development drilling in the Cascadura field and advancing the construction of the flowline from the Cascadura C surface location to the Cascadura natural gas processing facility. As a result, corporate net debt increased by 22 percent compared to the previous quarter.
- The Company achieved record production levels and funds flow from operations in the fourth quarter of 2023, which reflected a full quarter of Cascadura field production volumes. Combined with minimal capital spending of \$1.2 million, Touchstone decreased corporate net debt levels to \$22.6 million. An aggregate \$28.9 million (net of income tax) of net impairment expenses mainly related to Chinook and Royston E&E assets led to a quarterly net loss of \$21.2 million.

Advisories

Non-GAAP Financial Measures

This MD&A or documents referred to in this MD&A reference 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 GAAP and do not have a standardized meaning prescribed by 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. Below is a description of the non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures disclosed in this MD&A.

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.

The following table presents the computation of operating netback for the periods indicated.

(\$000's unless otherwise stated)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Petroleum and natural gas sales	12,696	13,253	34,816	43,927
Less: royalty expense	(2,837)	(3,409)	(8,308)	(10,671)
Petroleum and natural gas revenue, net of royalties	9,859	9,844	26,508	33,256
Less: operating expense	(4,002)	(2,436)	(9,460)	(7,258)
Operating netback	5,857	7,408	17,048	25,998
Total production (boe)	473,031	479,319	1,261,835	1,611,979
Operating netback (\$/boe)	12.38	15.46	13.51	16.13

Cash and non-cash net finance expense

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

The following table presents the computation of capital expenditures and reconciles capital expenditures to cash used in investing activities for the periods indicated.

(\$000's)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
E&E asset expenditures	402	452	1,220	620
PP&E expenditures	9,200	2,616	19,714	19,953
Capital expenditures	9,602	3,068	20,934	20,573
Acquisition expenditures	-	-	28,400	-
Abandonment fund expenditures	129	218	449	745
Proceeds from asset dispositions	-	(1,066)	-	(1,066)
Net change in non-cash working capital	(2,019)	1,840	(7,297)	(3,111)
Cash used in investing activities	7,712	4,060	42,486	17,141

Working capital, net debt and managed capital

Touchstone closely monitors its capital structure with the goal of maintaining a strong financial position to fund current operations and future growth. Management monitors working capital, net debt and managed capital as part of the Company's capital structure to evaluate its true debt and liquidity position and to manage capital and liquidity risk. These measures are capital management measures used by Management to steward the Company's overall debt position and assess overall financial strength.

Working capital is calculated as current assets minus current liabilities as presented in the applicable consolidated balance sheet, excluding the carrying value of the convertible debenture. Management excludes the carrying value of the convertible debenture from working capital given the instrument has a maturity date in 2028.

Net debt is determined by adding the Company's working capital surplus or deficit to the principal (undiscounted) balance of non-current bank debt and the principal (undiscounted) balance of the convertible debenture. Net debt is most directly comparable to total liabilities as disclosed in the Company's consolidated balance sheets. Management defines managed capital as the sum of net debt and shareholders' equity.

The following table presents working capital, net debt and managed capital computations for the periods indicated.

(\$000's)	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	(40,280)	(22,151)	(19,220)
Current liabilities	68,621	23,510	23,085
Working capital deficit per consolidated balance sheet	28,341	1,359	3,865
Less: current portion of Debenture	(11,606)	-	-
Working capital deficit	16,735	1,359	3,865
Principal balance of long-term bank debt	48,518	27,750	25,728
Principal balance of Debenture	12,500	-	-
Net debt	77,753	29,109	29,593
Shareholders' equity	71,596	68,828	69,688
Managed capital	149,349	97,937	99,281

The following table reconciles total liabilities to net debt for the periods indicated.

(\$000's)	September 30, 2025	December 31, 2024	September 30, 2024
Total liabilities	164,800	83,445	81,840
Lease liabilities	(3,073)	(4,368)	(4,430)
Share-based compensation liability	(153)	(117)	(75)
Decommissioning liability	(10,400)	(9,985)	(9,579)
Deferred income tax liability	(34,380)	(17,924)	(19,178)
Variance of carrying value and principal value of bank debt	345	209	235
Variance of carrying value and principal value of Debenture	894	-	-
Current assets	(40,280)	(22,151)	(19,220)
Net debt	77,753	29,109	29,593

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. The net debt to funds flow from operations ratio is the desired target Touchstone strives to achieve and maintain. This ratio may increase at certain times as a result of increased capital expenditures, acquisitions and/or low commodity prices.

Net debt to managed capital ratio

The Company further monitors its capital structure using a net debt to managed capital ratio, which is a non-GAAP ratio and capital management measure calculated as the ratio of the Company's net debt to managed capital. The Company's net debt to managed capital ratio is the desired target that the Company strives to maintain, as Management's strategy is to utilize more equity than debt. This ratio may increase at certain times as a result of increased debt to finance capital expenditures and/or acquisitions.

Supplementary Financial Measures

The following supplementary financial measures are referenced herein.

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 – is comprised of crude oil product sales as determined in accordance with IFRS, divided by the Company's total crude oil production volumes for the period. Crude oil sales are a component of petroleum and natural gas sales.

Realized NGL sales per barrel – is comprised of NGL product sales as determined in accordance with IFRS, divided by the Company's total NGL production volumes for the period. NGL sales are a component of petroleum and natural gas sales.

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.

Realized natural gas sales per boe – is comprised of natural gas product sales as determined in accordance with IFRS, divided by the Company's total natural gas production volumes for the period. Natural gas sales are a component 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.

Royalty expense as a percentage of petroleum and natural gas sales – is comprised of royalty expense as determined in accordance with IFRS, divided by petroleum and natural gas sales as determined in accordance with IFRS.

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

G&A expense per boe – is comprised of G&A expense as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

Net finance expense per boe – is comprised of net finance expense as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

Depletion expense per boe – is comprised of depletion expense as determined in accordance with IFRS, divided by the Company's total production volumes for the period. Depletion expense is a component of depletion and depreciation expense as disclosed in the Company's consolidated financial statements.

Current income tax expense per boe – is comprised of current income tax expense as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

Forward-looking Statements

Certain information provided in this MD&A, including documents incorporated by reference herein, may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities laws. All statements and information, other than statements of historical fact, made by Touchstone that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements.

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. Readers are cautioned that the assumptions used in the preparation of such forward-looking statements, although considered reasonable at the time of preparation, may prove to be imprecise, and as such, undue reliance should not be placed on forward-looking statements.

In particular, forward-looking statements contained in this MD&A may include, but are not limited to, the Company's internal projections, estimates or expectations with respect to the following:

- business plans, operational strategies, priorities, outlook and development plans, including the Company's updated annual 2025 guidance;
- financial condition and outlook and results of operations, including future liquidity and financial capacity and expectations of future growth, including expectations of future production levels and cash flows to be derived therefrom, and the Company's ability to continue as a going concern;
- future demand for the Company's petroleum and natural gas products and economic activity in general;
- general economic and political developments in Trinidad and globally;
- the performance characteristics of the Company's petroleum and natural gas properties, including current and future crude oil and liquids and natural gas production levels, estimated field production levels and estimated future production decline rates;
- expectations regarding the ability of the Company to raise capital and to continually add to reserves through exploration, acquisitions and development;
- future capital expenditure programs, including the anticipated timing of completion, allocation and costs thereof and the method of funding;
- future development and exploration activities to be undertaken in various areas and timing thereof, including the fulfillment of minimum work obligations and exploration commitments;
- terms and estimated future expenditures of the Company's contractual commitments and their timing of settlement;
- terms and title of exploration and production licences and the expected formal extension, renewal or execution of certain contracts;
- expectations regarding the Company's ability to fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its properties;
- receipt of anticipated and future regulatory approvals;
- access to third-party facilities and infrastructure;
- expected levels of royalty expense, operating expense, G&A expense, net finance expense, current income tax expense and other costs associated with the Company's business;
- treatment under current and future government regulatory regimes, environmental legislation, and tax laws enacted in the Company's areas of operations and the resulting impact on the Company's capital and operating expenditures;
- current risk management strategies and the benefits to be derived therefrom, including the potential future use of commodity derivatives to manage commodity price risk;
- the foreign currency risk strategies of the Company, the benefits to be derived therefrom and the Company's ability to reverse unrealized foreign exchange gains and losses in the future;
- the Company's ability to reverse previously recognized non-financial asset impairment expenses in the future;
- credit risk assumptions and the Company's expectation to receive past due VAT amounts from the GOTT;
- future liquidity and future sources of liquidity and the Company's expectation to settle all current and future financial liabilities in a timely manner;

- future compliance with the Company's bank debt covenants, its ability to obtain waivers if the related annual financial covenants are breached and its ability to make future scheduled interest and principal payments;
- future compliance with the terms of the Debenture, and the Company's ability to make future interest and principal payments;
- the Company's expectation of decreasing its internal net debt to funds flow from operations capital metric and the timing thereof;
- the potential of future acquisitions or dispositions and receiving required regulatory approvals thereto;
- estimated amounts, timing and the anticipated sources of funding for the Company's decommissioning liabilities;
- effect of business and environmental risks on the Company; and
- the statements under "*Significant Accounting Estimates, Judgements and Assumptions*".

In addition, information and 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 presented by Touchstone 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.

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 Touchstone will derive from them. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies, many of which are beyond the Company's control.

This MD&A includes a summary of the Company's updated 2025 capital budget and guidance, which includes, but is not limited to, forward looking statements relating to: the focus of Touchstone's remaining 2025 capital plan, including pursuing developmental drilling activities and optimizing existing natural gas and liquids infrastructure capacity; anticipated 2025 annual average production by commodity; forecasted production decline rates; anticipated developmental drilling activities, including locations, the timing thereof and related production and cash flows therefrom; anticipated 2025 capital expenditures including estimations of costs and inflation incorporated therein; anticipated timing of drilling and completion activities, well tie-in operations and production coming online; forecasted future commodity prices; forecasted royalty, operating, general and administration, cash finance, and income tax expenses; anticipated funds flow from operations and net debt; and Touchstone's future financial position, including the sufficiency of resources to fund future capital expenditures and maintain financial liquidity.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Touchstone's prospective results of operations and production included in its updated 2025 guidance, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the paragraphs above. The FOFI contained in this MD&A was approved by Management as of the date hereof and was provided for the purpose of providing further information about Touchstone's future business operations. This information has been provided for illustration only and, with respect to future periods, is based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Touchstone and its Management believe that FOFI has been prepared on a reasonable basis, reflecting Management's best estimates and judgments, and represents, to the best of Management's knowledge and opinion, the Company's expected course of action.

However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Touchstone disclaims any intention or obligation to update or revise any FOFI contained herein, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained herein should not be used for purposes other than for which it is disclosed herein, and the FOFI contained herein is not conclusive and is subject to change. Variations in forecasted commodity prices, differences in the amount and timing of capital expenditures, and variances in average production estimates and decline rates can have a significant impact on the key performance measures included in the guidance disclosed herein. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlook or assurance that such operating results will be achieved and, accordingly, the complete financial effects of the forecasted costs, expenditures, prices and operating results are not objectively determinable. The actual results of the Company's operations and the resulting financial results will vary from the amounts set forth in this MD&A and such variations may be material.

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, the ability to attract and retain qualified employees on a cost-effective basis, extreme weather-related events, and commodity pricing and marketing risk. The Company is subject to significant drilling risks and uncertainties including the ability to find petroleum 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 operation risks. The Company is subject to industry conditions including changes in laws and regulations, 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 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 global economic conditions, the impact of significant volatility in commodity prices, the impact (and duration thereof) of ongoing geopolitical events and their effect on market prices for crude 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 Trinidad oil and natural gas industry, fluctuations in interest rates, and fluctuations in foreign exchange rates. 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, exploration, lease operating or joint operating rights related to the Company's interests in Trinidad. Readers are cautioned that the foregoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and can be found on the Company's profile on SEDAR+ (www.sedarplus.ca).

Management has included the above summary of assumptions and risks related to forward-looking statements and other information provided in this MD&A in order to provide shareholders and investors with a more complete perspective on the Company's current and future operations, and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from those expressed in or implied by any forward-looking statements in this MD&A, and accordingly, investors should not place undue reliance on any such forward-looking statements.

Any forward-looking statement is made only as of the date of this MD&A, and Touchstone undertakes no obligation or intent to update or revise any forward-looking statement or statements to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law, including applicable securities laws. New factors emerge from time to time, and it is not possible for Touchstone to predict all of such factors or 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.

All forward-looking statements and FOFI contained in this MD&A are expressly qualified by this cautionary statement.

Readers are further cautioned that the preparation of consolidated financial statements in accordance with IFRS requires Management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on comprehensive income (loss), as further information becomes available and as the economic environment or other factors change.

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 MD&A includes references to crude oil, NGLs, crude oil and liquids, and natural gas total and average daily production volumes. In accordance with NI 51-101, disclosure of production volumes must include segmentation by product type as defined in the instrument. In this MD&A, references to "crude oil" include the combined product types light crude oil and medium crude oil and heavy crude oil; references to "NGLs" refer to condensate and propane; and references to "natural gas" refer to conventional natural gas, all as defined in the instrument. References to "crude oil and liquids" include crude oil and NGLs.

The Company's total and average production volumes for the past eight quarters, as well as all related references to "crude oil", "NGLs", "crude oil and liquids" and "natural gas" contained in this MD&A, represent the following product types as defined in NI 51-101 and are presented on a boe basis using a conversion ratio of 6 Mcf to 1 boe, where applicable.

Three months ended	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Production								
Light and medium crude oil (bbls)	92,244	98,772	99,112	114,492	109,771	100,136	100,599	98,314
Heavy crude oil (bbls)	4,485	5,137	5,475	5,995	4,638	5,254	5,535	5,966
Crude oil (bbls)	96,729	103,909	104,587	120,487	114,409	105,390	106,134	104,280
Condensate (bbls)	13,532	7,892	3,466	11,087	4,101	9,207	23,811	57,183
Other NGLs (bbls)	26,573	11,203	-	-	-	-	-	-
Crude oil and liquids (bbls)	136,834	123,004	108,053	131,574	118,510	114,597	129,945	161,463
Conventional natural gas (Mcf)	2,017,185	1,663,683	1,682,796	2,128,528	2,164,853	2,278,297	3,050,413	3,725,201
Total production (boe)	473,031	400,285	388,519	486,329	479,319	494,313	638,347	782,330
Average daily production								
Light and medium crude oil (bbls/d)	1,002	1,086	1,101	1,245	1,194	1,100	1,105	1,068
Heavy crude oil (bbls/d)	49	56	61	65	50	58	61	65
Crude oil (bbls/d)	1,051	1,142	1,162	1,310	1,244	1,158	1,166	1,133
Condensate (bbls/d)	147	87	39	121	45	101	262	622
Other NGLs (bbls/d)	289	123	-	-	-	-	-	-
Crude oil and liquids (bbls/d)	1,487	1,352	1,201	1,431	1,289	1,259	1,428	1,755
Conventional natural gas (Mcf/d)	21,926	18,282	18,698	23,136	23,531	25,036	33,521	40,491
Average daily production (boe/d)	5,141	4,399	4,317	5,287	5,211	5,432	7,015	8,504

The Company's total and average production volumes for the nine months ended September 30, 2025 and 2024, as well as all related references to "crude oil", "NGLs", "crude oil and liquids" and "natural gas" contained in this MD&A, represent the following product types as defined in NI 51-101 and are presented on a boe basis using a conversion ratio of 6 Mcf to 1 boe, where applicable.

	Nine months ended September 30,	
	2025	2024
Production		
Light and medium crude oil (bbls)	290,128	310,506
Heavy crude oil (bbls)	15,097	15,427
Crude oil (bbls)	305,225	325,933
Condensate (bbls)	24,890	37,119
Other NGLs (bbls)	37,776	-
Crude oil and liquids (bbls)	367,891	363,052
Conventional natural gas (Mcf)	5,363,664	7,493,563
Total production (boe)	1,261,835	1,611,979
Average daily production		
Light and medium crude oil (bbls/d)	1,063	1,134
Heavy crude oil (bbls/d)	55	56
Crude oil (bbls/d)	1,118	1,190
Condensate (bbls/d)	91	135
Other NGLs (bbls/d)	139	-
Crude oil and liquids (bbls/d)	1,348	1,325
Conventional natural gas (Mcf/d)	19,647	27,349
Average daily production (boe/d)	4,623	5,883

References to Touchstone

For convenience, references in this document to the "Company", "we", "us", "our", and "its" may, where applicable, refer only to Touchstone.

Abbreviations

The following is a list of abbreviations that may be used in this MD&A:

Oil and natural gas measurement		Other	
bbl(s)	barrel(s)	AIM	AIM, a market operated by the London Stock Exchange
bbls/d	barrels per day	C\$	Canadian dollar
Mbbls	thousand barrels	JKM	Japan Korea Marker, the reference point paid for natural gas in Northeast Asia
Mcf	thousand cubic feet	LNG	Liquified natural gas
Mcf/d	thousand cubic feet per day	NBP	The reference price paid for natural gas in the United Kingdom at the National Balancing Point Virtual Trading Point
MMcf	million cubic feet	NGL(s)	Natural gas liquid(s), which includes condensate, propane, butane and ethane
MMcf/d	million cubic feet per day	TSX	Toronto Stock Exchange
MMBtu	million British Thermal Units	TT\$	Trinidad and Tobago dollar
boe	barrels of oil equivalent	WTI	Western Texas Intermediate
boe/d	barrels of oil equivalent per day	\$ or US\$	United States dollar
Mboe	thousand barrels of oil equivalent	£	Pounds sterling

Additional Information

Additional information related to Touchstone and factors that could affect its operations and financial results are included with reports on file with the Canadian securities regulatory authorities, including the interim financial statements, the audited financial statements and the related management's discussion and analysis, as well as and Touchstone's December 31, 2024 Annual Information Form dated March 19, 2025, all of which can be found on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com).



Corporate Information

Directors

Kenneth R. McKinnon

Chair of the Board

Paul R. Baay

Priya Marajh

Peter Nicol

Beverley Smith

Stanley T. Smith

Corporate Secretary

Thomas E. Valentine

Officers and Senior Executives

Paul R. Baay

President and Chief Executive Officer

Scott Budau

Chief Financial Officer

Brian Hollingshead

*Executive Vice President Engineering
and Business Development*

Alex Sanchez

*Vice President Production and
Environment*

Cayle Sorge

Vice President Finance

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San Fernando, Trinidad, W.I.

Stock Exchange Listings

Toronto Stock Exchange

London Stock Exchange AIM

Symbol: TXP

Banker

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Port of Spain, Trinidad, W.I.

Auditor

KPMG LLP

Calgary, Alberta, Canada

Reserves Evaluator

GLJ Ltd.

Calgary, Alberta, Canada

Legal Counsel

Norton Rose Fulbright LLP

Calgary, Alberta, Canada

London, United Kingdom

Transfer Agent and Registrar

Odyssey Trust Company

Calgary, Alberta, Canada

MUFG Corporate Markets

Leeds, United Kingdom

UK Nominated Advisor and Joint Broker

Canaccord Genuity

London, United Kingdom

UK Joint Broker

Cavendish Capital Markets

London, United Kingdom

UK Public Relations

FTI Consulting

London, United Kingdom