



TOUCHSTONE ANNOUNCES ANNUAL 2025 FINANCIAL AND OPERATING RESULTS

CALGARY, ALBERTA (March 31, 2026) - Touchstone Exploration Inc. ("Touchstone", "we", "our" or the "Company") (TSX, LSE: TXP) reports its operating and condensed financial results for the three months and year ended December 31, 2025. Selected financial information is outlined below and should be read in conjunction with Touchstone's December 31, 2025 audited consolidated financial statements and related Management's discussion and analysis, both of which are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com). Unless otherwise stated, all financial amounts presented herein are in United States dollars, and all production volumes disclosed herein are sales volumes based on Company working interest before royalty burdens.

Fourth Quarter 2025 Financial and Operating Highlights

- **Production:** Averaged 4,877 boe/d (71% natural gas) in Q4 2025, an 8% decrease from 5,287 boe/d (73% natural gas) in Q4 2024. The Central field contributed 2,065 boe/d, highlighting its significant contribution to the portfolio since its acquisition.
- **Revenue:** Petroleum and natural gas sales totaled \$11.0 million, a 19% decrease from \$13.54 million in Q4 2024, primarily due to lower production and softened realized pricing.
 - **Crude oil sales:** \$5.0 million from average production of 996 bbls/d at an average realized price of \$54.57 per barrel.
 - **NGL sales:** \$1.15 million from average production volumes of 413 bbls/d at an average realized price of \$30.30 per barrel.
 - **Natural gas sales:** \$4.85 million from average production of 20.8 MMcf/d (3,468 boe/d) at an average realized price of \$2.54 per Mcf.
- **Operating netback:** Generated \$4.22 million, a 39% decrease year-over-year, impacted by lower petroleum and natural gas sales and increased natural gas operating expenses.
- **Funds flow from operations:** Totaled \$0.62 million, compared to \$3.61 million in Q4 2024. The decline was driven by lower operating netbacks and higher cash finance expenses, partially offset by reduced general and administration expenses.
- **Net income:** Reported \$13.62 million (\$0.04 per share), compared to a net loss of \$0.54 million in Q4 2024. The increase was primarily non-cash, driven by a \$9.55 million deferred tax recovery and a \$4.98 million gain on asset dispositions.
- **Capital investments:** Invested \$7.44 million, focused on drilling the CR-3 development well on the Central property.
- **Financial position:** Net debt decreased to \$72.89 million from \$77.75 million at September 30, 2025, supported by \$8.37 million in net proceeds from a private placement.

Annual 2025 Financial and Operating Highlights

- **Health and safety:** Achieved a safety milestone with zero lost-time injuries recorded throughout 2025.
- **Strategic acquisition:** Completed the acquisition of Shell Trinidad Central Block Limited on May 16, 2025. The asset contributed an average of 2,095 boe/d of liquids-rich natural gas since closing and provides critical exposure to global LNG pricing.
- **Annual production:** Averaged 4,686 boe/d, an 18% decrease from 5,734 boe/d in 2024. Incremental production from the Central block partially mitigated natural declines at Cascadura and mature crude oil fields.

- **Financial performance:**
 - **Revenue:** Petroleum and natural gas sales totaled \$45.82 million, down 20% from \$57.47 million in 2024, primarily attributable to lower natural gas production volumes and decreased crude oil and liquids realized prices.
 - **Operating netback:** Generated \$21.26 million (\$12.44 per boe), compared to \$32.89 million (\$15.68 per boe) in 2024.
 - **Funds flow from operations:** Reported \$5.37 million, a 68% year-over-year decrease from \$16.75 million in 2024.
 - **Net income:** Realized \$10.89 million (\$0.04 per share), compared to \$8.27 million (\$0.04 per basic share and \$0.03 per diluted share) in 2024, reflecting a \$4.98 million gain on asset disposition and a \$12.61 million deferred income tax recovery recorded in 2025.
- **Capital program:** Executed a \$28.38 million capital program, pivoting from infrastructure build out to active drilling, including three gross (2.25 net) development wells.
- **Strategic portfolio rationalization:** Divested the non-core Fyzabad property. Consideration included three turnkey drilling wells on the Company's WD-8 and WD-4 blocks, aligning with our strategy to focus on higher-return core assets.
- **Financing and liquidity:**
 - **Bank debt:** Obtained an additional \$30 million term loan facility to finance the Central block acquisition.
 - **Convertible debt:** Issued a \$12.5 million three-year secured convertible debenture to fund the completion of the 2025 Cascadura drilling program.
 - **Private placements:** Raised an aggregate of \$13.6 million in net proceeds through two equity placements in 2025.

2025 Financial and Operating Results Overview

	Three months ended			Year ended December 31,		
	2025	December 31, 2024	% change ⁽⁴⁾	2025	2024	% change ⁽⁴⁾
Operational						
Average daily production						
Crude oil ⁽¹⁾ (bbls/d)	996	1,310	(24)	1,087	1,220	(11)
NGLs ⁽¹⁾ (bbls/d)	413	121	100	276	132	100
Crude oil and liquids ⁽¹⁾ (bbls/d)	1,409	1,431	(2)	1,363	1,352	1
Natural gas ⁽¹⁾ (Mcf/d)	20,805	23,136	(10)	19,939	26,290	(24)
Average daily production (boe/d) ⁽²⁾	4,877	5,287	(8)	4,686	5,734	(18)
Production mix (% of production)						
Crude oil and liquids ⁽¹⁾	29	27		29	24	
Natural gas ⁽¹⁾	71	73		71	76	
Average realized prices ⁽³⁾						
Crude oil ⁽¹⁾ (\$/bbl)	54.57	62.50	(13)	59.45	67.91	(12)
NGLs ⁽¹⁾ (\$/bbl)	30.30	62.05	(51)	33.67	69.10	(51)
Crude oil and liquids ⁽¹⁾ (\$/bbl)	47.46	62.47	(24)	54.24	68.03	(20)
Natural gas ⁽¹⁾ (\$/Mcf)	2.54	2.50	2	2.59	2.48	4
Realized commodity price (\$/boe) ⁽²⁾	24.53	27.85	(12)	26.79	27.39	(2)
Operating netback (\$/boe) ⁽²⁾						
Realized commodity price ⁽³⁾	24.53	27.85	(12)	26.79	27.39	(2)
Royalty expense ⁽³⁾	(7.15)	(6.59)	8	(6.73)	(6.61)	2
Operating expense ⁽³⁾	(7.97)	(7.09)	12	(7.62)	(5.10)	49
Operating netback ⁽³⁾	9.41	14.17	(34)	12.44	15.68	(21)

	Three months ended			Year ended December 31,		
	2025	2024	% change ⁽⁴⁾	2025	2024	% change ⁽⁴⁾
Financial						
<i>(\$000's except per share amounts)</i>						
Petroleum and natural gas sales	11,001	13,543	(19)	45,817	57,470	(20)
Cash from operating activities	9,903	822	100	20,130	13,181	53
Funds flow from operations	623	3,614	(83)	5,371	16,748	(68)
Net income (loss)	13,621	(542)	n/a	10,888	8,272	32
Per share – basic	0.04	(0.00)	n/a	0.04	0.04	-
Per share – diluted	0.04	(0.00)	n/a	0.04	0.03	33
Capital expenditures ⁽³⁾	7,443	3,106	100	28,377	23,679	20
Acquisition expenditures	-	-	n/a	28,400	-	n/a
Principal balance of bank debt				57,750	35,000	65
Principal balance of convertible debenture				12,500	-	n/a
Net debt ⁽³⁾				72,890	29,109	100
Share Information (000's)						
Weighted avg. shares outstanding:						
Basic	304,674	236,461	29	262,969	235,509	12
Diluted	304,674	236,461	29	262,969	236,492	11
Outstanding shares – end of period				324,734	236,461	37

Notes:

(1) Refer to "Advisories - Product Type Disclosures" for further information.

(2) In the table above and elsewhere in this news release, references to "boe" mean barrels of oil equivalent that are calculated using the energy equivalent conversion method. Refer to "Advisories - Oil and Natural Gas Measures" for further information.

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

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

Liquidity and Going Concern

Management continues to closely monitor the Company's liquidity position to ensure that operating cash flows and working capital remain sufficient to support ongoing financial obligations, planned capital programs, and future work commitments.

The Company's audited consolidated financial statements for the year ended December 31, 2025 include a note regarding the existence of material uncertainties over its ability to continue as a going concern. As at December 31, 2025, the Company had a working capital deficit of \$15.4 million, excluding the convertible debenture maturing in 2028. Additionally, the Company currently projects a breach of its bank debt net senior funded debt to trailing annual EBIDA and debt service coverage covenants as of December 31, 2026, which could result in the bank debt becoming due at that time.

Management is actively focused on several initiatives to bolster liquidity and address these uncertainties:

- Operational cash flow: Realizing anticipated production growth from the 2025 and 2026 drilling programs and benefiting from strengthening commodity pricing.
- Value-added tax receivables: Monitoring and accelerating the collection of outstanding value-added tax receivables.
- Capital management: Maintaining active engagement with its lender regarding potential amendments to the loan agreement or obtaining waivers for the projected 2026 covenant breaches.

In the absence of mitigating actions, the Company's current cash resources may not be sufficient to fund expected operating and development expenditures and scheduled bank debt repayments over the next

twelve months. Should these conditions persist, the Company is actively evaluating and is prepared to implement contingency measures, including optimizing capital expenditures or seeking additional debt or equity financing to ensure ongoing obligations are met.

2025 Annual Filings

Touchstone has filed its annual audited financial statements, along with the related Management's discussion and analysis and annual information form ("AIF") for the financial year ended December 31, 2025. The AIF includes reserves data and other oil and gas disclosures in compliance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). The reserves information presented in the AIF is consistent with the details disclosed in Touchstone's news release issued February 25, 2026. These documents are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com).

Touchstone Exploration Inc.

Touchstone Exploration Inc. is a Calgary, Alberta based company engaged in the business of acquiring interests in petroleum and natural gas rights and the exploration, development, production and sale of petroleum and natural gas. Touchstone is currently active in onshore properties located in the Republic of Trinidad and Tobago. The Company's common shares are traded on the Toronto Stock Exchange and the AIM market of the London Stock Exchange under the symbol "TXP". For further information about Touchstone, please visit our website at www.touchstoneexploration.com or contact:

Paul Baay, President and Chief Executive Officer
Scott Budau, Chief Financial Officer
Brian Hollingshead, EVP Engineering and Business Development

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Advisories

Forward-looking Statements

The information provided in this news release contains certain forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expect", "believe", "estimate", "potential", "anticipate", "forecast", "pursue", "aim", "intends", and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. The forward-looking statements contained in this news release speak only as of the date hereof and are expressly qualified by this cautionary statement.

Specifically, this news release includes, but is not limited to, forward-looking statements relating to: the Company's business plans, strategies, priorities and development plans; anticipated developmental drilling and facility upgrade activities, including locations, the timing thereof and related production and cash flows therefrom; the Company's expectation of improved commodity pricing market fundamentals and the benefits to be derived therefrom; the Company's expectations of accelerating the collection of VAT; the Company's ability to amend its current loan agreement and/or obtain future waivers for projected financial covenant breaches; and Touchstone's current and future financial position, including the Company's liquidity and the sufficiency of resources to fund current obligations future capital expenditures. The Company's actual decisions, activities, results, performance, or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Touchstone will derive from them.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking

statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Certain of these risks are set out in more detail in the Company's 2025 Annual Information Form dated March 30, 2026 which is available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com). The forward-looking statements contained in this news release are made as of the date hereof, and except as may be required by applicable securities laws, the Company assumes no obligation or intent to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This news release references various non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as such terms are defined in National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. Such measures are not recognized measures under Canadian Generally Accepted Accounting Principles ("GAAP") and do not have a standardized meaning prescribed by IFRS Accounting Standards as Issued by the International Accounting Standards Board ("IFRS") and therefore may not be comparable to similar financial measures disclosed by other issuers. Readers are cautioned that the non-GAAP financial measures referred to herein should not be construed as alternatives to, or more meaningful than, measures prescribed by IFRS, and they are not meant to enhance the Company's reported financial performance or position. These are complementary measures that are commonly used in the oil and natural gas industry and by the Company to provide shareholders and potential investors with additional information regarding the Company's performance. Below is a description of the non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures disclosed herein.

Operating netback

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

Capital expenditures

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

Working capital and net debt

Working capital and net debt are capital management measures used by Management to monitor the Company's capital structure to evaluate its true debt and liquidity position and to manage capital and liquidity risk.

Working capital is calculated 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.

Supplementary Financial Measures

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

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

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

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

For further information, please refer to the "*Advisories - Non-GAAP Financial Measures*" section of the Company's most recent Management's discussion and analysis for the three months and year ended December 31, 2025 accompanying the December 31, 2025 audited consolidated financial statements, both of which are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com). Touchstone's Management's discussion and analysis is incorporated by reference herein and includes further discussion of the purpose and composition of the specified non-GAAP financial measures consistently used by the Company and detailed reconciliations to the most directly comparable GAAP measures.

Oil and Natural Gas Measures

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

Product Type Disclosures

This news release includes references to crude oil, NGLs, crude oil and liquids, natural gas average daily production volumes. Under NI 51-101, disclosure of production volumes should include segmentation by product type as defined in the instrument. In this news release, references to "crude oil" refer to light 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.

For further information regarding specific product disclosures in accordance with NI 51-101, including 2025 and 2024 total and average production information by product type, please refer to the "*Advisories - Product*

Type Disclosures" section of the Company's most recent Management's discussion and analysis for the three months and year ended December 31, 2025 accompanying the December 31, 2025 audited consolidated financial statements, both of which are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com).

Abbreviations

The following abbreviations may be referenced in this news release:

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