



**Touchstone Exploration Inc.**

**Annual Information Form**

**For the year ended December 31, 2025**

**March 30, 2026**



## 2025 ANNUAL INFORMATION FORM

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## CERTAIN DEFINITIONS

The following is a glossary of certain terms used in this Annual Information Form ("**AIF**"). Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

### Selected Defined Terms

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, together with all regulations promulgated thereunder;

"**AIM**" means the market of that name operated by the London Stock Exchange plc;

"**Board**" or "**Board of Directors**" means the board of directors of Touchstone;

"**Central Licence**" means the Exploration and Production (Public Petroleum Rights) Licence for the Central block dated September 18, 2006, among The President of the Republic of Trinidad and Tobago, the MEEI, Petrotrin (subsequently novated to Heritage) and BG Trinidad Central Block Limited, and any amendments thereto;

"**Common Shares**" means the common shares in the capital of the Company of no-par value as constituted on the date hereof;

"**Company**" or "**Touchstone**" means Touchstone Exploration Inc.; a company incorporated under the ABCA and includes its direct and indirect subsidiaries on a consolidated basis where the context requires or permits;

"**CSA 51-324**" means Staff Notice 51-324 - *Revised Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators;

"**Debenture**" means the Secured Convertible Debenture and the accompanying Warrant Certificate dated August 8, 2025, among Touchstone Exploration Inc. and JJR Wood Holdings Inc.;

"**EPSC**" means Enhanced Production Service Contract;

"**ESG**" means environmental, social and governance;

"**GAAP**" means Generally Accepted Accounting Principles for publicly accountable entities in Canada which are currently in accordance with IFRS;

"**GLJ**" means GLJ Ltd., independent petroleum engineers of Calgary, Alberta;

"**GOTT**" means the Government of the Republic of Trinidad and Tobago;

"**Heritage**" means Heritage Petroleum Company Limited, the GOTT owned oil and gas exploration and production company of Trinidad and Tobago (formerly the Petroleum Company of Trinidad and Tobago Limited or "**Petrotrin**");

"**IFRS**" means IFRS Accounting Standards as issued by the International Accounting Standards Board;

"**LOA**" means Lease Operatorship Agreements;

"**Loan Agreement**" means the loan agreement dated June 15, 2020, among Touchstone Exploration (Trinidad) Ltd. and Republic Bank Limited, acting as sole lender and agent, and any amendments and restatements thereto;

"**MEEI**" means the GOTT Ministry of Energy and Energy Industries (formerly the GOTT Ministry of Energy and Energy Affairs);

"**NI 51-101**" means National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* adopted by the Canadian Securities Administrators;

"**NI 51-102**" means National Instrument 51-102 - *Continuous Disclosure Obligations* adopted by the Canadian Securities Administrators;

"**NGC**" means The National Gas Company of Trinidad and Tobago Limited;

"**Ortoire Licence**" means the Exploration and Production (Public Petroleum Rights) Licence for the Ortoire block dated October 31, 2014, among The President of the Republic of Trinidad and Tobago, the MEEI, Petrotrin (subsequently novated to Heritage) and Primera Oil and Gas Limited, and any amendments thereto;

"**person**" or "**persons**" include an individual, body corporate, partnership, syndicate or other form of unincorporated entity;

"**POGL**" means Primera Oil and Gas Limited, an indirect wholly owned subsidiary of the Company incorporated under the laws of the Republic of Trinidad and Tobago;

"**Reserves Report**" means the report of GLJ Ltd. dated February 24, 2026, evaluating the light and medium crude oil, conventional natural gas and natural gas liquid reserves of the Company as at December 31, 2025;

"**SEDAR+**" means the Canadian System for Electronic Data Analysis and Retrieval + available through [www.sedarplus.ca](http://www.sedarplus.ca);

"**shareholder(s)**" means the holder(s) of Common Shares;

"**subsidiary**" has the meaning given to such term in the *Securities Act (Alberta)*;

"**Touchstone Arrangement**" means the arrangement completed May 13, 2014, pursuant to section 193 of the ABCA between Touchstone (formerly Petrobank Energy and Resources Ltd.) and Touchstone Energy Inc. (formerly Touchstone Exploration Inc.);

"**Touchstone Energy**" means Touchstone Energy Inc., a former wholly owned subsidiary of Touchstone Exploration Inc., formerly incorporated under the ABCA;

"**Touchstone Trinidad**" means Touchstone Exploration (Trinidad) Ltd., an indirect wholly owned subsidiary of the Company incorporated under the laws of the Republic of Trinidad and Tobago;

"**Trinidad**" means the Republic of Trinidad and Tobago; and

"**TSX**" means the Toronto Stock Exchange.

### **Selected Oil and Gas Terms**

"**abandonment and reclamation costs**" means all costs associated with the process of restoring a property that has been disturbed by oil and gas activities to a standard imposed by applicable government and regulatory authorities;

"**API**" means the American Petroleum Institute;

**"API gravity"** means the American Petroleum Institute gravity, which is a measure of how heavy or light a petroleum liquid is compared to water. If a petroleum liquid's API gravity is greater than 10, it is lighter and floats on water; if less than 10, it is heavier than water and sinks. API gravity is thus a measure of the relative density of a petroleum liquid and the density of water, but it is used to compare the relative densities of petroleum liquids;

**"Brent"** means the Brent crude oil benchmark price based on the Brent crude oil futures contract traded on the Intercontinental Exchange;

**"COGE Handbook"** means the "Canadian Oil and Gas Evaluation Handbook" maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time;

**"conventional natural gas"** means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional or erosional geological features;

**"crude oil"** or **"oil"** means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not contain liquids obtained from the process of natural gas;

**"developed non-producing reserves"** are those reserves that either have not been on production or have previously been on production but are shut-in, and the date of resumption of production is unknown;

**"developed producing reserves"** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing, or if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty;

**"developed reserves"** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing;

**"development costs"** means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems;

**"development well"** means a well drilled inside the established limits of an oil and natural gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a strategic horizon known to be productive;

**"exploration costs"** means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to as "prospecting costs") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells;

**"exploration well"** means a well that is not a development well, a service well or a stratigraphic test well;

**"forecast prices and costs"** means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future; or
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Company is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in subparagraph (a);

**"future net revenue"** means a forecast of revenue, estimated using forecast prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs;

**"gross"** means:

- (a) in relation to a reporting issuer's interest in production or reserves, its "company gross reserves", which are the reporting issuer's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the reporting issuer;
- (b) in relation to wells, the total number of wells in which a reporting issuer has an interest; and
- (c) in relation to properties, the total area of properties in which a reporting issuer has an interest;

**"heavy crude oil"** or **"heavy oil"** means crude oil with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity;

**"Henry Hub"** means the Henry Hub natural gas benchmark price, the reference price for natural gas futures contracts traded on the New York Mercantile Exchange (NYMEX), representing natural gas delivered at the Henry Hub pipeline interconnection in Louisiana, United States.

**"hydrocarbon"** means a compound consisting of hydrogen and carbon, which, when naturally occurring, may also contain other elements such as sulphur;

**"JKM"** means the Japan Korea Marker, the benchmark price assessment for spot liquefied natural gas cargoes delivered to Northeast Asia;

"**light crude oil**" or "**light oil**" means crude oil with a relative density greater than 31.1 degrees API gravity;

"**LNG**" means liquefied natural gas;

"**medium crude oil**" or "**medium oil**" means crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity;

"**natural gas**" means a naturally occurring mixture of hydrocarbon gases and other gases;

"**natural gas liquids**" or "**NGLs**" means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus and condensates;

"**NBP**" means the benchmark natural gas price at the National Balancing Point, the virtual natural gas trading hub in the United Kingdom;

"**net**" means:

- (a) in relation to a reporting issuer's interest in production or reserves, the reporting issuer's working interest (operating or non-operating) share after deduction of royalty obligations, plus the reporting issuer's royalty interests in production or reserves;
- (b) in relation to a reporting issuer's interest in wells, the number of wells obtained by aggregating the reporting issuer's working interest in each of its gross wells; and
- (c) in relation to a reporting issuer's interest in a property, the total area in which the reporting issuer has an interest multiplied by the working interest owned by the reporting issuer;

"**possible reserves**" are those additional reserves that are less certain to be recovered than probable resources. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves;

"**probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves;

"**property**" includes: (a) fee ownership or a lease, concession, agreement, permit, licence or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest; (b) royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and (c) an agreement with a foreign government or authority under which a reporting issuer participates in the operation of properties or otherwise serves as "producer" of the underlying reserves (in contrast to being an independent purchaser, broker, dealer or importer). A property does not include supply agreements or contracts that represent a right to purchase, rather than extract, oil or gas;

"**proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves;

"**reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates;

"**service well**" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: natural gas injection (natural gas,

propane, butane or flue gas), water injection, steam injection, air injection, saltwater disposal, water supply for injection, observation or injection for combustion; and

"undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

Terms and abbreviations used in the Company's December 31, 2025 audited consolidated financial statements (the "audited financial statements"), in its accompanying Management's discussion and analysis for the year ended December 31, 2025 (the "MD&A"), and in the appendices to this AIF are defined separately, and the terms and abbreviations defined herein are not used therein, except where otherwise indicated. Otherwise, capitalized terms used in this AIF which have not been defined above shall have the meanings given to them in this AIF.

## NOTES TO READER

### Abbreviations and Conversions

In this AIF, the abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		Natural Gas	
bbl(s)	barrel(s)	Mcf	thousand cubic feet
bbls/d	barrels per day	Mcf/d	thousand cubic feet per day
Mbbl	thousand barrels	MMcf	million cubic feet
Mbbls/d	thousand barrels per day	MMcf/d	million cubic feet per day
NGL(s)	natural gas liquid(s)	MMbtu	million British Thermal Units
Other			
boe	barrels of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil		
boe/d	barrels of oil equivalent per day		
Mboe	thousand barrels of oil equivalent		
\$ or US\$	United States dollars		
\$000's	thousands of United States dollars		

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic metres	28.317
cubic metres	cubic feet	35.315
bbls	cubic metres	0.159
cubic metres	bbls	6.289
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

## Conventions and Other Information

Certain terms used herein are defined in the "*Certain Definitions*" section of this AIF. Certain other terms used herein but not defined herein are defined in NI 51-101 and CSA 51-324 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 and/or CSA 51-324.

All financial information herein is presented in accordance with IFRS. In all cases where percentage (%) figures are provided, such percentages have generally been rounded to the nearest whole number and are limited to increases or decreases of 100 percent.

Unless otherwise specified, information in this AIF is at the end of the Company's most recently completed fiscal year, being December 31, 2025.

## Currency and Exchange Rates

In this AIF, unless otherwise specified or the context otherwise requires, all financial amounts are expressed in United States dollars ("\$" or "US\$"), which is the Company's financial reporting currency. References to "C\$" are to Canadian dollars; references to "TT\$" are to Trinidad and Tobago dollars; and references to "£" or "GBP" are to United Kingdom pounds sterling.

The following table sets forth, for each of the periods indicated, the high and low rates of United States dollars into Canadian dollars and United States dollars into Trinidad and Tobago dollars, the average of the exchange rates during each such period (being the average of the daily closing rates during the period) and the end of period rate. The US\$ to C\$ exchange rates presented below were derived from TSX InfoSuite and the US\$ to TT\$ exchange rates equal the average of the buying and selling rates as posted by the Trinidad and Tobago Central Bank. On March 27, 2026, the closing US\$:C\$ and US\$:TT\$ foreign exchange rates were 1.39 and 6.75, respectively.

Foreign exchange rate	Year ended December 31,		
	2025	2024	2023
<b>Highest rate during the period</b>			
US\$:C\$	1.47	1.45	1.39
US\$:TT\$	6.78	6.78	6.78
<b>Lowest rate during the period</b>			
US\$:C\$	1.36	1.32	1.31
US\$:TT\$	6.70	6.70	6.71
<b>Average closing rate during the period</b>			
US\$:C\$	1.40	1.37	1.35
US\$:TT\$	6.75	6.75	6.75
<b>Rate at the end of the period</b>			
US\$:C\$	1.37	1.44	1.32
US\$:TT\$	6.77	6.75	6.72

## Advisories

### References to Touchstone

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

### Forward-Looking Statements

Certain information provided in this AIF, including documents incorporated by references herein, may constitute forward-looking statements and information (collectively, "**forward-looking statements**") within the meaning of applicable securities laws. In addition, Touchstone may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or

written presentation by representatives of Touchstone that are not statements of historical fact and may also constitute forward-looking statements. All statements and information, other than statements of historical facts, that address activities, events, or developments that the Company expects or anticipates will or may occur in the future constitute 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 AIF 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;
- 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;
- plans to pursue a strategic recapitalization, including the potential renegotiation of existing credit facilities to improve amortization terms and financial covenants, or the potential issuance of additional equity;
- forecasts regarding strengthening oil LNG market pricing fundamentals and their impact on funds flow from operations;
- future demand for the Company's petroleum and natural gas ("**P&NG**") products and economic activity in general;
- general economic and political developments in Trinidad and globally;
- the performance characteristics of the Company's P&NG properties, including current and future crude oil and liquids and natural gas production levels, anticipated incremental production from the CR-3 well; estimated field production levels, estimated future production decline rates and the impact of infrastructure optimization projects, including the Cascadura compression project;
- the strategic benefits of the May 2025 Central Licence acquisition, including the Company's ability to achieve identified operational synergies, successfully tie-in new drilling (including the CR-3 well), and navigate international LNG-linked pricing dynamics;
- 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 and the deferral of Heritage work commitments;
- the Company's ability to remediate or replace the Cascadura-4STX2 wellbore and the impact of technical revisions to Block B reserves on future production profiles;
- 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 timing and successful outcome of negotiations with the MEEI and Heritage regarding the extension of the exploration period for the Ortoire Licence;
- expectations that the Company and NGC will execute Joint Operating Agreements relating to the Ciperó, Charuma and Rio Claro Licences to allow for future exploration;
- 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, general and administration 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 and the benefits to be derived therefrom;
- credit risk assumptions and the Company's expectation to receive past due value added tax 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 Loan Agreement 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 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; and
- effect of business and environmental risks on the Company.

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 estimates of Touchstone's reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Consequently, actual results may differ materially from those anticipated in the forward-looking statements. Please refer to the "*Statement of Reserves Data and Other Oil and Gas Information*" section herein for further advisories regarding P&NG reserves.

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.

Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Touchstone. Forward-looking statements involve significant risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance or results. The forward-looking statements are subject to numerous risks and uncertainties discussed herein under the "Risk Factors" section, and other factors, many of which are beyond the control of the Company. Readers are cautioned that the list of factors is not exhaustive. Additional information on these and other factors that could affect the Company operations and financial results are included in the "Advisories - Forward-looking Statements" section of our MD&A accompanying the audited financial statements and other reports on file with Canadian securities regulatory authorities, which are available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

Although the forward-looking statements contained in this AIF are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this AIF, the Company has made assumptions regarding, but not limited to: current and forecasted commodity prices; current royalty and income tax regimes; availability of skilled labour; timing and amount of capital expenditures; uninterrupted access to infrastructure; the price of and the Company's future ability to market its P&NG products; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; recoverability of reserves; future operating expenses; receipt of timely regulatory approvals; that the Company will have sufficient cash from operating activities, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company's conduct and results of operations will be consistent with its expectations; that the Company will have the ability to develop its P&NG properties in the manner currently contemplated; the current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of the Company's reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that the Company will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; and other matters.

Management has included the summary of assumptions and risks related to forward-looking statements and other information in this AIF to provide shareholders and potential 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 that expressed in or implied by any forward-looking statements in this AIF, 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 AIF, 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 information contained in this AIF 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, as further information becomes available and as the economic environment or other factors change.

### **Market, Independent Third Party and Industry Data**

Forward-looking statements and other information contained herein concerning the oil and natural gas industry in the countries in which the Company operates and the Company's general expectations concerning this industry are based on estimates prepared by Management using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable.

Although indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. This AIF also includes certain data derived from independent third parties, including, but not limited to, the summary of certain information contained in the "*Industry Conditions*" section herein. While Touchstone believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. While the Company is not aware of any material misstatements regarding any industry data presented herein, the oil and natural gas industry involves numerous risks and uncertainties and is subject to change based on various factors.

### **Non-GAAP Financial Measures**

This AIF or documents referred to in this AIF refer to various non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as such terms are defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure*. Such financial 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 AIF.

### **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**

Management monitors working capital as part of the Company's capital structure to manage capital and liquidity risk. Working capital is a capital management measure calculated as current assets minus current liabilities as presented in the applicable consolidated balance sheet, excluding the carrying value of the Debenture. Management excludes the carrying value of the Debenture from working capital given the instrument has a maturity date in 2028.

## **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* - 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 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.

*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.

For additional information regarding such measures, including reconciliations to the nearest GAAP measures, please refer to the "Advisories - Non-GAAP Financial Measures" section in our MD&A accompanying the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

## **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. We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalent conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and 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.

## Oil and Natural Gas Metrics

This AIF contains certain oil and gas metrics, including operating netback, which do not have standardized meanings or standard methods of calculation under NI 51-101 and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Operating netback may be presented on a total or per boe basis and is calculated by deducting royalty and operating expenses from petroleum and natural gas sales. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company, and future performance may not compare to the performance in prior periods, and therefore such metrics should not be unduly relied upon. The Company uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this AIF, should not be relied upon for investment purposes.

Unless otherwise specified, all production volumes disclosed in this AIF are sales volumes and are based on Company working interest before royalty burdens.

## Product Type Disclosures

This AIF or documents referred to in this AIF make references to crude oil, NGLs, crude oil and liquids, and natural gas total and average daily production volumes. Under NI 51-101, disclosure of production volumes should include segmentation by product type as defined in the instrument. In this AIF, 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" refers to conventional natural gas, all as defined in the instrument. References to "crude oil and liquids" include crude oil and NGLs.

Disclosure of 2025 Company total and average production volumes by product type are included in the *Statement of Reserves Data and Other Oil and Gas Information - Other Oil and Gas Information* section herein. For reconciliations of other periods referenced herein, please refer to the *Advisories - Product Type Disclosures* section in our MD&A accompanying the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

## TOUCHSTONE EXPLORATION INC.

### Name, Address and Incorporation

1708589 Alberta Ltd. was incorporated on October 24, 2012 under the ABCA, for the purposes of participating in a reorganization under which the business of Petrobank Energy and Resources Ltd. was transitioned to the Company. Effective December 31, 2012, 1708589 Alberta Ltd. changed its name to Petrobank Energy and Resources Ltd.

On May 13, 2014, the Company (then Petrobank Energy and Resources Ltd.) and Touchstone Energy Inc. (formerly Touchstone Exploration Inc.) completed a statutory plan of arrangement. Pursuant to the Touchstone Arrangement, the Company acquired all issued and outstanding common shares of Touchstone Energy. Shareholders of Touchstone Energy received 0.471 of a Petrobank Energy and Resources Ltd. common share for each Touchstone Energy common share held. Following the Touchstone Arrangement, the Company consolidated its shares on a two for one basis; Petrobank Energy and Resources Ltd. changed its name to Touchstone Exploration Inc.; and Touchstone Exploration Inc. changed its name to Touchstone Energy Inc.

At the time of the Touchstone Arrangement, Touchstone had producing assets in Canada, and Touchstone Energy was engaged in the exploration, development and production of crude oil in Trinidad. The Company's stated strategy was to focus on accelerating the development of its crude oil resource base in

Trinidad. In line with this strategic focus, the Company executed a staged withdrawal from its licence and production interests in Canada in 2015 and early 2016.

The Company's registered office is located at Suite 3700, 400 - 3<sup>rd</sup> Avenue SW, Calgary, Alberta, T2P 4H2, and its head office is located at Suite 4100, 350 - 7<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3N9.

## Business of the Company

The Company, through its subsidiaries, is a petroleum and natural gas exploration and production company active in the Republic of Trinidad and Tobago. Touchstone is one of the largest independent onshore oil and natural gas producers in Trinidad, with assets in several reservoirs that provide an extensive internally estimated inventory of petroleum and natural gas development and exploration opportunities. The Company's Common Shares are traded on the TSX and AIM under the stock symbol "TXP".

## Intercorporate Relationships

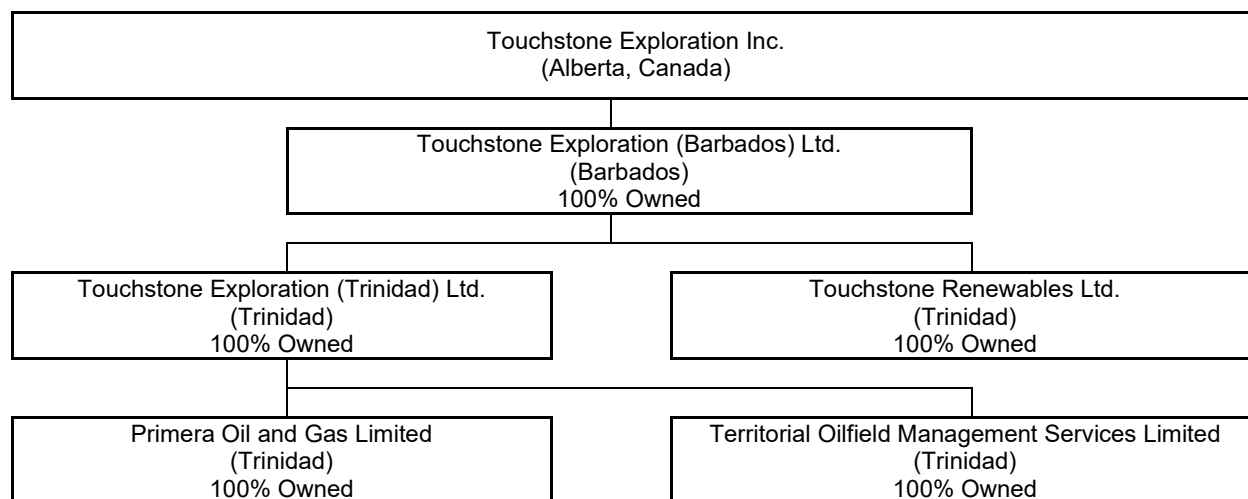
As of the date of this AIF, the Company has five directly or indirectly wholly owned subsidiaries.

Name of subsidiary	Jurisdiction of incorporation	Ownership %	Business conducted
Touchstone Exploration (Barbados) Ltd.	Barbados	100	Holding company
Touchstone Exploration (Trinidad) Ltd.	Trinidad	100	Oil and gas company
Touchstone Renewables Ltd.	Trinidad	100	Holding company
Primera Oil and Gas Limited	Trinidad	100	Oil and gas company
Territorial Oilfield Management Services Limited	Trinidad	100	Internal oil and gas services company

Touchstone Exploration Inc. provides certain administrative, management and technical support services from its head office in Calgary, Canada, to its Trinidadian subsidiaries pursuant to various intercompany service agreements.

## Corporate Structure

The following chart illustrates the organizational structure of the Company and its subsidiaries as at the date of this AIF.



Touchstone's organizational structure facilitates its business as a multi-jurisdictional company with core operations located outside of Canada. All subsidiaries are domiciled in jurisdictions where the legal system

is based on British common law. Trinidad and Barbados both maintain double taxation treaties with Canada and are members of the Caribbean Community and Common Market ("**CARICOM**").

To mitigate the risks inherent in a multi-jurisdictional structure, the Company employs specialized personnel and engages reputable local advisors in each country to monitor legal, regulatory, and income tax compliance.

### **General Development of the Business**

The following is a description of the events that have influenced the general development of the business of Touchstone and its subsidiaries during the financial years ended December 31, 2023, 2024 and 2025. For a detailed operational overview, see the "*Description of the Business and Operations*" section of this AIF.

### **Strategic Acquisition of the Central Block**

On May 16, 2025, Touchstone Trinidad 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. The financial position and results of operations of the acquired entity have been consolidated into the Company's financial and operating results effective May 16, 2025.

The acquired entity held a 65 percent operating interest in the onshore Central Licence, with Heritage holding the remaining 35 percent participating interest. To streamline operations and achieve administrative efficiencies, the acquired entity was amalgamated with POGL on December 12, 2025.

The Central block assets include four producing natural gas wells and an 80 MMcf/d gas processing facility, which currently processes production from the Carapal Ridge, Baraka, and Baraka East liquids-rich natural gas pools. The Acquisition provides:

- **Enhanced production profile:** Low-decline, liquids-rich natural gas production with upside potential through identified infill drilling and exploration prospects.
- **Strategic infrastructure:** Includes working interest ownership of an 80 MMcf/d natural gas processing plant and a comprehensive network of flowlines and third-party export pipelines tied into both the domestic market and the Atlantic LNG facility.
- **Operational synergies:** The Central block is contiguous with the Ortoire block, allowing for optimized logistics and future exploration tie-ins. In addition, production from the Company's Coho field is processed at the Central block facility.
- **Marketing flexibility:** Central block production volumes are sold through three distinct marketing agreements, providing diversified revenue exposure to both domestic petrochemical demand and international LNG-linked pricing.

The Acquisition was primarily funded through a \$30 million, six-year non-revolving term loan facility provided by the Company's existing Trinidad-based lender. This facility was structured with no principal payments due during the first year to align debt service with the cash flow profile of the acquired producing assets. For further details on the terms of the facility, refer to the "*Description of Capital Structure - Bank debt*" section of this AIF.

For additional details regarding the Acquisition, including the preliminary purchase price allocation, refer to Note 7 "*Business Combination*" of the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

## Significant Acquisitions

The Company did not complete any significant acquisitions during any of the years ended December 31, 2023, 2024 or 2025 for which disclosure is required under Part 8 of NI 51-102.

## Board and Leadership Changes

- Board succession: On April 8, 2025, Mr. John D. Wright retired as Chair of the Board and was succeeded by Mr. Kenneth R. McKinnon.
- Director retirements: Ms. Jenny Alfandary and Dr. Harrie Vredenburg did not stand for re-election at the June 19, 2025, annual meeting of shareholders.
- Executive departure: Effective November 7, 2025, Mr. James Shipka, Executive Vice President, Asset Development and HSE, departed the Company.
- Board appointment: Effective January 9, 2026, the Company appointed Mr. Bhupendra Kansagra to the Board. This appointment was made pursuant to the terms of a Subscription and Investor Rights Agreement between the Company and Purebond Limited ("**Purebond**"), dated October 23, 2025, following Purebond's acquisition of an approximate 15.4 percent equity interest in the Company.

## Three Year History

The following is a summary of significant events in the general development of our business during the last three financial years.

### ***Developments in 2023: Transition to Natural Gas***

- Commissioned and achieved first natural gas and associated liquids production from the Cascadura facility on September 6, 2023.
- Reported average daily crude oil and liquids production volumes of 1,382 bbls/d and average natural gas volumes of 2,599 boe/d, resulting in an aggregate corporate average of 3,981 boe/d.
- Executed an \$18.9 million capital program focused on Cascadura infrastructure and the Royston-1X exploration well.
- Generated funds flow from operations of \$13.7 million and an annual operating netback of \$26.2 million or \$18.04 per boe.
- Recognized a net loss of \$20.6 million (\$0.09 per basic share) driven by \$28.9 million in non-financial asset net impairment expenses (net of income tax), partially offset by strong production and funds flow from operations.
- Shareholders approved an Omnibus Incentive Compensation Plan (the "**Omnibus Plan**") on June 29, 2023, modernizing the Company's ability to grant share awards to directors, officers and employees.
- Amended the Loan Agreement to add a \$7 million revolving loan facility to support working capital.

### ***Developments in 2024: Record Production***

- Achieved record annual average production volumes of 5,734 boe/d, driven by a full year of Cascadura operations.
- Invested \$23.7 million to expand Cascadura natural gas processing capacity and bring the Cascadura-2ST1 and Cascadura-3ST1 wells onstream.
- Generated record funds flow from operations of \$16.8 million and an annual operating netback of \$32.9 million or \$15.68 per boe.

- Reported net income of \$8.3 million (\$0.04 per basic share and \$0.03 per diluted share).
- Amended the Loan Agreement, establishing a new \$10 million, five-year non-revolving term loan facility and increasing the revolving loan facility borrowing capacity from \$7 million to \$10 million to support capital activity.
- Continued to optimize our asset portfolio, which included divesting three non-core properties, acquiring the Balata East block to support Cascadura NGL marketing, and expanding Trinidad onshore exploration acreage by approximately 108,000 working interest acres, securing exploration and production licences within the Herrera Formation fairway.

### ***Developments in 2025: Strategic Diversification***

- Completed the acquisition of Shell Trinidad Central Block Limited on May 16, 2025, which contributed an average of 2,095 boe/d of liquids-rich natural gas from the date acquisition and provided critical exposure to global LNG pricing.
- Achieved annual average production volumes of 4,686 boe/d.
- Executed a \$28.4 million capital program, pivoting from infrastructure build out to active drilling, including three gross (2.25 net) development wells.
- Generated funds flow from operations of \$5.4 million and an annual operating netback of \$21.3 million or \$12.44 per boe.
- Reported net income of \$10.9 million (\$0.04 per share), driven by a \$12.6 million deferred tax recovery and a \$5.0 million gain on asset dispositions.
- Entered into a Fourth Amended and Restated Loan Agreement, securing a new \$30 million term loan for the Acquisition and extending the \$10 million revolving facility to 2027.
- On August 8, 2025, issued a three-year \$12.5 million secured convertible debenture (5 percent coupon, ~US\$0.22 conversion price) to strengthen liquidity.
- Raised an aggregate of \$13.6 million in net proceeds through two equity placements.
- Completed the disposition of the Fyzabad property effective December 1, 2025, focusing resources on higher-return core assets.

### ***Going Concern and Recapitalization***

As at December 31, 2025, the Company reported a cash balance of \$10.4 million, a working capital deficit of \$25.4 million, and principal long-term bank debt of \$45 million, with no remaining borrowing capacity under its revolving loan facility. The working capital deficit was primarily driven by significant capital expenditures deployed throughout 2025, approximately \$12.8 million in current bank debt, and the inclusion of the \$9.8 million Debenture carrying value within current liabilities, despite its long-term maturity profile (refer to the "*Description of Capital Structure*" section herein).

In addition, the Company projects a breach of its net senior funded debt to trailing twelve-month EBIDA and debt service coverage bank debt financial covenants as of December 31, 2026. Such a breach could result in the bank debt balance becoming due and payable at that time.

To address the current working capital deficit and enhance financial flexibility, the Company is actively pursuing a strategic recapitalization plan. This initiative may include renegotiating existing credit facilities to improve amortization terms and financial covenants, or the issuance of additional equity. Management expects liquidity to strengthen throughout 2026, supported by incremental production volumes from the CR-3 well (drilled in late 2025), strengthening LNG market pricing, and enhanced profitability following the integration of the Central block assets.

The Company's ability to continue as a going concern is dependent upon generating sufficient cash flows from operations, obtaining additional financing through debt or equity, or restructuring existing debt obligations and financial covenants. The audited consolidated 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. See the "Risk Factors" section in this AIF for specific risks regarding the Company's Loan Agreement and recapitalization plan.

As of the date of this AIF, the Company does not anticipate any material changes to the nature of its business in the 2026 financial year.

## Description of the Business and Operations

As of the date of this AIF, Touchstone, through its subsidiaries, is actively engaged in the exploration, acquisition, development and production of hydrocarbons from onshore reservoirs in Trinidad. The Company's core strategy is to leverage Canadian operational experience and technical capability across its Trinidad onshore properties to create long-term shareholder value. The Company's strategy has evolved to encompass both oil production from mature onshore fields and natural gas development linked to domestic and LNG export markets, following the acquisition of an operating interest in the Central Licence in 2025.

## Principal Properties and Licences

The Company's portfolio consists of producing and exploration properties in southern Trinidad and minimal undeveloped acreage in Saskatchewan, Canada. All properties are operated by Touchstone. A schedule of the Company's Trinidad property interests as of December 31, 2025 is set forth below.

Property <sup>(1)</sup>	Working interest (%)	Licence type	Gross acres <sup>(2)</sup>	Net acres <sup>(3)</sup>
<i>Developed</i>				
CO-1	100	LOA	1,230	1,230
WD-4	100	LOA	700	700
WD-8	100	LOA	650	650
Balata East	100	EPSC	1,270	1,270
Barrackpore	100	Private	211	211
Central	65	State	6,698	4,354
Ortoire – Cascadura area	80	State	2,377	1,902
Ortoire – Coho area	80	State	1,317	1,054
			<b>14,453</b>	<b>11,371</b>
<i>Exploratory</i>				
Charuma	80	State	72,784	58,227
Cipero	80	State	29,924	23,939
Ortoire – exploration area	80	State	36,950	29,560
Rio Claro	80	State	31,983	25,586
			<b>171,641</b>	<b>137,312</b>
<b>Total</b>			<b>186,094</b>	<b>148,683</b>

Notes:

(1) The Fyzabad MEEI lease and associated private leases were disposed of effective December 1, 2025, pursuant to an asset exchange agreement for drilling services. Refer to the "Description of the Business and Operations - Property Acquisitions and Dispositions" section for further details.

(2) "Gross" means the total area of properties in which the Company has an interest.

(3) "Net" means the total area of properties in which the Company has an interest multiplied by its working interest.

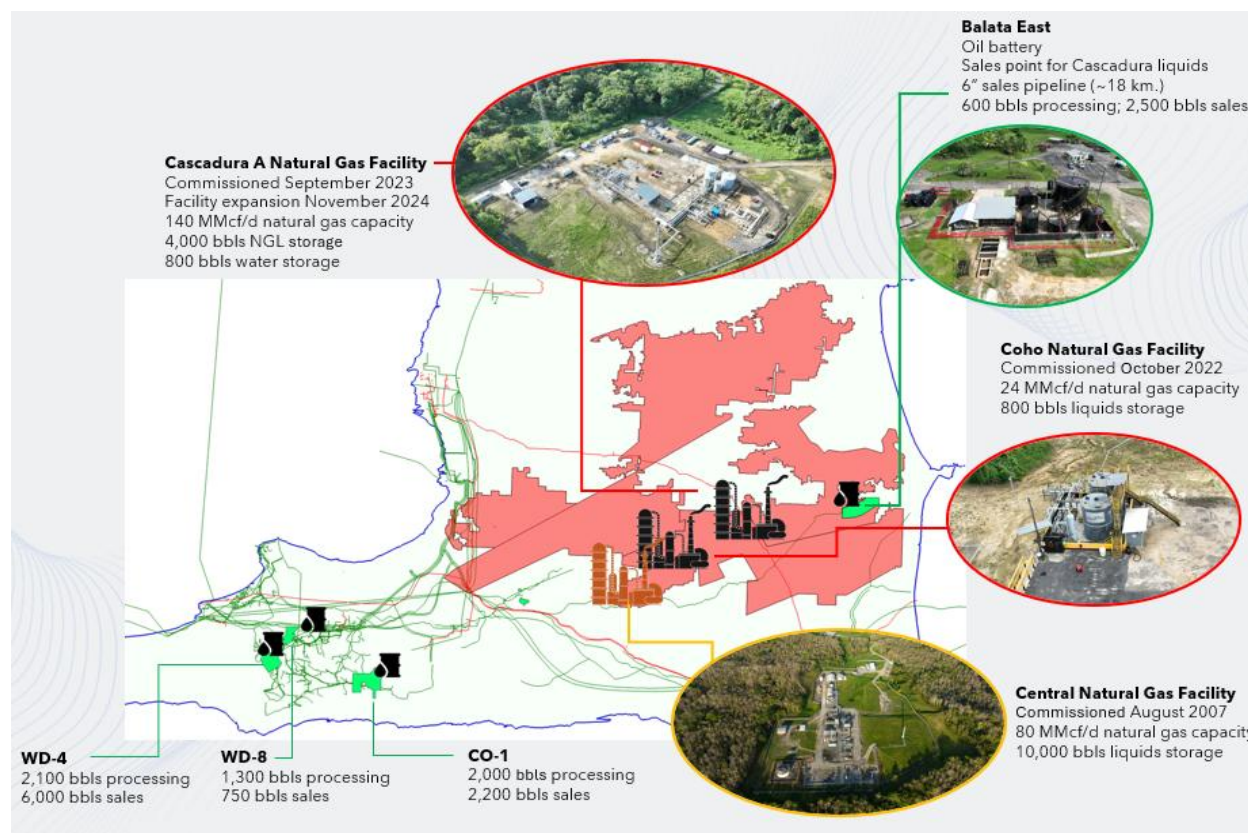
## Canadian Operations

Our head office is located in Calgary, Alberta, Canada. All Canadian operations are conducted through our parent company, Touchstone Exploration Inc. Subsequent to the Touchstone Arrangement, the Company focused on divesting all Canadian petroleum assets. Touchstone has no evaluated P&NG reserves

associated with the Company's remaining Canadian assets, which represent 3,898 gross and net acres of undeveloped land in the Luseland area of Saskatchewan.

## Trinidad Operations

Through our indirect wholly owned subsidiary Touchstone Trinidad, we are actively engaged in the development and exploration of our onshore oil and natural gas properties located in southern Trinidad. With interests in approximately 149,000 working interest acres of exploration and development rights, Touchstone is one of the largest independent onshore P&NG producers in Trinidad.



## Heritage Operatorship Agreements

The Company operates legacy onshore crude oil fields under LOAs and an EPSC with Heritage. These arrangements currently expire in late 2030, with the option for a five-year extension subject to mutual agreement on further work programs. These agreements include specific marketing arrangements for crude oil production. Sales are invoiced monthly based on Heritage's monthly average equity land blend indexed price. All payments are settled in TT\$, net of applicable royalty expenses and fees as stipulated in each respective licence.

Under these arrangements, the Company is subject to annual minimum production levels and minimum work commitments. Compliance is structured such that a breach does not occur provided that either the minimum production levels are achieved or the minimum work obligations are fulfilled. As of December 31, 2025, the Company's remaining obligations under these agreements include the drilling of 11 infill wells by 2028.

During the year ended December 31, 2025, crude oil production from Heritage-governed fields averaged approximately 1,000 bbls/d (2024 - 1,092 bbls/d).

The following table sets forth information relating to properties governed by Heritage operating agreements as of December 31, 2025.

Field	Current licence expiry <sup>(1)</sup>	Carrying value <sup>(2)</sup> (\$000's)	Gross 1P reserves <sup>(3)</sup> (Mbbbls)	Gross 2P reserves <sup>(3)</sup> (Mbbbls)	Minimum work commitments <sup>(4)</sup> (\$000's)
CO-1	December 31, 2030	25,583	2,005	3,633	4,149
WD-4	December 31, 2030	14,707	2,881	5,184	3,939
WD-8	December 31, 2030	14,132	2,667	4,911	3,845
Balata East	November 30, 2030	274	550	760	2,852
<b>Total</b>		<b>54,696</b>	<b>8,103</b>	<b>14,488</b>	<b>14,785</b>

Notes:

- (1) The agreements may be extended for an additional five-year period pending mutual agreement on work commitments for the extension period.
- (2) Represents the estimated carrying value included in property, plant and equipment ("PP&E") as at December 31, 2025 including allocated overhead.
- (3) Assigned gross light and medium crude oil reserves represent the Company's working interest share before deduction of royalties. Refer to the "Statement of Reserves Data and Other Oil and Gas Information" section herein for further details and applicable reserves advisories.
- (4) Includes future estimates of minimum work obligations as at December 31, 2025. See the "Description of the Business and Operations - Summary of Commitments" section herein for further details.

### **MEEI Exploration and Production Licences**

The Company is party to exploration and production licences with the MEEI for its Central and Ortoire producing properties, as well as the Charuma, Ciperio and Rio Claro exploration blocks. The licences typically carry an initial six-year exploration term, with an option to extend specific acreage for a further 19 years upon the MEEI's approval of a commercial discovery.

#### **Central (65 percent working interest)**

The Company acquired its operating interest in the Central Licence on May 16, 2025. Following an internal reorganization, the acquired entity was amalgamated with POGL effective December 12, 2025. POGL now holds a 65 percent operating working interest in the Central Licence, with Heritage holding the remaining 35 percent participating interest.

The Central Licence covers a gross area of 6,698 acres, and expires on September 17, 2039, with provisions for subsequent five-year extension periods. As at December 31, 2025, the field consisted of four producing natural gas wells supported by an 80 MMcf/d natural gas processing facility.

Natural gas and associated liquids produced from the Central block are managed through a flexible marketing strategy involving both domestic and international export markets.

- Domestic sales: If the Atlantic LNG facility is unavailable, the Company may nominate natural gas volumes for sale to NGC under a Domestic Gas Sales Contract. Pricing reflects domestic natural gas pricing structures within the Trinidad market.
- International LNG export: Production volumes are primarily transported via the Cross Island Pipeline ("CIP") to the Atlantic LNG facility in Point Fortin pursuant to a pipeline capacity sublease agreement that provides the Company with the right to transport nominated gas volumes through the CIP system.
- LNG contract: Under a Gas Supply Contract dated September 30, 2024, natural gas nominated and delivered for processing at Atlantic LNG is processed and sold as LNG and associated NGLs.
- Pricing benchmarks: LNG sales are determined by a formula linked to a basket of international energy benchmarks, including Brent, Henry Hub, JKM, and NBP, subject to certain transportation and processing fees. Associated NGLs extracted during liquefaction are sold based on Propane Plus international pricing.
- Train optimization: Production is currently nominated to Train 4 of the Atlantic LNG facility. This commitment expires in May 2027, after which the Company has the contractual ability to nominate

volumes to Train 2/3, subject to available processing capacity. Historically, LNG sales associated with Train 2/3 have achieved higher realized pricing relative to Train 4 due to differences in LNG marketing arrangements and pricing formulas, however, there can be no assurance that such pricing differentials will persist.

- **Minimum supply obligations:** The gas supply arrangements include minimum annual contract supply quantity obligations pursuant to which the Company must either deliver specified minimum volumes of natural gas for liquefaction or compensate the counterparty for any shortfall in deliveries. If the Company fails to deliver the required minimum quantities in a contract year, the Company may be required to make payments calculated in accordance with the contract as compensation for such shortfall quantities.
- **Liquids:** Condensate and NGLs separated at the Central field facility are sold to Heritage at prices referenced to the WTI crude oil benchmark.

In the fourth quarter of 2025, the Company successfully drilled the CR-3 development well, marking the first new well on the field in over 17 years. Following completion and tie-in to the Central block facility, production from the well commenced on March 28, 2026.

Production from the Central field averaged approximately 1,321 boe/d for the full year 2025, representing approximately 2,095 boe/d on a pro-rata basis since the acquisition date. Operational enhancements implemented at the processing plant following the acquisition resulted in an approximate 20 percent increase in production throughput relative to acquired levels.

The following table sets forth information relating to the Central field as of December 31, 2025.

<b>Field</b>	<b>Current licence expiry<sup>(1)</sup></b>	<b>Carrying value<sup>(2)</sup></b> <i>(\$000's)</i>	<b>Gross 1P reserves<sup>(3)</sup></b> <i>(Mboe)</i>	<b>Gross 2P reserves<sup>(3)</sup></b> <i>(Mboe)</i>	<b>Minimum work commitments<sup>(4)</sup></b> <i>(\$000's)</i>
Central	September 17, 2039	44,805	5,806	6,518	3,071

Notes:

- (1) Contains options to extend for subsequent five-year renewal periods under terms to be agreed.
- (2) Represents the estimated carrying value included in PP&E as at December 31, 2025 including allocated overhead.
- (3) Assigned gross conventional natural gas and NGL reserves represent the Company's working interest share before deduction of royalties. Refer to the "Statement of Reserves Data and Other Oil and Gas Information" section herein for further details and applicable reserves advisories.
- (4) Includes future estimates of financial obligations stipulated in the Central Licence as of December 31, 2025. Refer to the "Description of the Business and Operations - Summary of Commitments" section herein for further details.

### **Ortoire (80 percent working interest)**

POGL holds an 80 percent operating working interest in the Ortoire Licence, with Heritage holding the remaining 20 percent participating interest. While the primary exploration period was extended to July 31, 2026, the Coho and Cascadura areas have been approved for commercial development, securing their tenure through October 2039.

Touchstone is required to drill two exploration wells within the Ortoire licence prior to July 31, 2026. The Company and Heritage are currently in discussions with the MEEI to extend the exploration portion of the Ortoire Licence for an additional three years to further evaluate remaining prospects.

Natural gas and associated liquids produced from the Ortoire block are managed through a natural gas and a crude oil marketing arrangement.

- **Natural gas sales:** Production is sold to the NGC under a long-term agreement at a fixed US\$ price per MMBtu, featuring a 2 percent annual inflation escalator. Pricing is subject to redetermination every five years (next scheduled for October 2027). The current contract price is \$2.33 per MMBtu through October 10, 2026, increasing to approximately \$2.38 per MMBtu through October 10, 2027.
- **Delivery:** Title transfers at the wellsite battery, eliminating midstream transportation and processing charges for the Company.

- Liquids: Crude oil and associated liquids are sold to Heritage under a US\$-denominated agreement that follows the monthly average equity land blend indexed price, which has historically been linked to the Brent reference price.

### Cascadura Area

The Cascadura field represents the Company's primary development area within the Ortoire Licence and is supported by the Cascadura natural gas processing facility, which commenced production in 2023. The facility processes natural gas and associated liquids from the Cascadura area and provides the infrastructure required to support the phased development of additional wells in the field. Future development of reserves associated with the Cascadura field is expected to utilize the existing Cascadura processing facility and related pipeline infrastructure.

In 2025, the Company drilled the Cascadura-4STX2 well and the Cascadura-5 wells. While the Cascadura-4STX2 well successfully encountered hydrocarbon-bearing zones, the drill string became irretrievably stuck during operations. Following an assessment of potential completion options, the Company determined that the ability to safely and reliably produce from the current wellbore is unlikely.

The Cascadura-5 well was brought onstream in November 2025 and contributed a field estimated gross average sales of approximately 1.9 MMcf/d of natural gas and 46 bbls/d of medium crude oil (approximately 362 boe/d) in December 2025. The well, drilled in Block B, underperformed relative to internal forecasts, leading to a material downward technical revision of the reserves assigned to that specific reservoir block as of December 31, 2025. Furthermore, the loss of the Cascadura-4STX2 wellbore due to mechanical failure has deferred production from that location.

To mitigate downstream pressure fluctuations that have historically limited field production, the Company is advancing the Cascadura compression project, targeted for commissioning by the end of the second quarter of 2026.

Annual net 2025 production from the Cascadura field averaged approximately 12.0 MMcf/d (1,999 boe/d) of natural gas, 23 bbls/d of crude oil and 26 bbls/d of associated liquids, compared to approximately 23.9 MMcf/d (3,989 boe/d) of natural gas and 132 bbls/d of NGLs in 2024. These declines are consistent with the expected production profile of mature natural gas wells and have been affected by the aforementioned downstream infrastructure pressure fluctuations.

The following table sets forth information relating to the Cascadura field as of December 31, 2025.

Field	Current licence expiry <sup>(1)</sup>	Carrying value <sup>(2)</sup> (\$000's)	Gross 1P reserves <sup>(3)</sup> (Mboe)	Gross 2P reserves <sup>(3)</sup> (Mboe)	Minimum work commitments <sup>(4)</sup> (\$000's)
Cascadura	October 31, 2039	65,201	12,535	23,383	649

Notes:

- (1) Contains options to extend for subsequent five-year renewal periods under terms to be agreed.
- (2) Represents the estimated carrying value included in PP&E as at December 31, 2025 including allocated overhead.
- (3) Assigned gross conventional natural gas and NGL reserves represent the Company's working interest share before deduction of royalties. Refer to the "Statement of Reserves Data and Other Oil and Gas Information" section herein for further details and applicable reserves advisories.
- (4) Includes future estimates of Ortoire Licence financial obligations related to the Cascadura area as of December 31, 2025. Refer to the "Description of the Business and Operations - Summary of Commitments" section herein for further details.

### Coho Area

The Coho area includes a natural gas sales facility and pipeline to support production from the Coho-1 well. The produced volumes are transported via an NGC owned pipeline to the Company's Central block natural gas facility.

The Coho-1 well produced an average of approximately 1.5 MMcf/d (255 boe/d) in 2025, compared to approximately 2.5 MMcf/d (392 boe/d) in 2024, reflecting natural declines in production.

The following table sets forth information relating to the Coho field as of December 31, 2025.

Field	Current licence expiry <sup>(1)</sup>	Carrying value <sup>(2)</sup> (\$000's)	Gross 1P reserves <sup>(3)</sup> (Mboe)	Gross 2P reserves <sup>(3)</sup> (Mboe)	Minimum work commitments <sup>(4)</sup> (\$000's)
Coho	October 31, 2039	5,671	427	2,545	359

Notes:

- (1) Contains options to extend for subsequent five-year renewal periods under terms to be agreed.
- (2) Represents the estimated carrying value included in PP&E as at December 31, 2025 including allocated overhead.
- (3) Assigned gross light and medium crude oil and conventional natural gas reserves represent the Company's working interest share before deduction of royalties. Refer to the "Statement of Reserves Data and Other Oil and Gas Information" section herein for further details and applicable reserves advisories.
- (4) Includes future estimates of Ortoire Licence financial obligations related to the Coho area as of December 31, 2025. Refer to the "Description of the Business and Operations - Summary of Commitments" section herein for further details.

### Chinook Area

The Chinook-1 exploration well was drilled in the second half of 2020 on the crest of the structure. It encountered three distinct thrust sheets, each containing Herrera Formation sands. All three sheets were evaluated, yielding sub-commercial volumes of light crude oil. Based on seismic data, the structure appears to climb significantly northeast towards the Kokanee structure, where further evaluation can be achieved with an exploration well from the former BW-9 wellsite, located approximately 1.3 kilometers from the Chinook-1 well.

### Royston Area

The Royston-1 exploration well was drilled in the third quarter of 2021 to a total depth of 10,700 feet, encountering over 1,000 feet of Herrera section in the overthrust and intermediate sheets, with light, sweet crude oil found in both sheets. However, mechanical challenges prevented meaningful production, with 4,274 net barrels of light and medium crude oil produced in 2022. In February 2023, Touchstone drilled the Royston-1X exploration well, a sidetrack from the original Royston-1 well. The well kicked off from the Royston-1 wellbore at approximately 7,150 feet and reached a total measured depth of 11,316 feet. After five production tests, the well was deemed uneconomic to produce.

The following table sets forth information relating to the Royston area as of December 31, 2025.

Field	Current licence expiry <sup>(1)</sup>	Carrying value <sup>(2)</sup> (\$000's)	Gross 1P reserves <sup>(3)</sup> (Mbbbls)	Gross 2P reserves <sup>(3)</sup> (Mbbbls)	Minimum work commitments <sup>(4)</sup> (\$000's)
Royston	July 31, 2026	2,967	641	2,562	-

Notes:

- (1) Heritage and Touchstone are in discussions with the MEEI to extend the licence for an additional three years. Refer to the "Description of the Business and Operations - Summary of Commitments" section herein for further details.
- (2) Represents the estimated carrying value included in exploration and evaluation ("E&E") assets as at December 31, 2025 including allocated overhead.
- (3) Assigned gross light and medium crude oil reserves represent the Company's working interest share before deduction of royalties. Refer to the "Statement of Reserves Data and Other Oil and Gas Information" section herein for further details and applicable reserves advisories.
- (4) The Company has not submitted a field development plan to the MEEI for the Royston area and therefore no reservoir area or specific future work commitments have been defined.

### Exploration Licences (Charuma, Ciperó and Rio Claro)

Effective July 1, 2024, POGL entered into separate Exploration and Production (Public Petroleum Rights) Licences for the Charuma and Ciperó blocks. These blocks were awarded to POGL through the Trinidad and Tobago 2022 Onshore and Nearshore Competitive Bid Round. Effective November 5, 2024, POGL entered into an Exploration and Production (Public Petroleum Rights) Licence for the Rio Claro block.

In each licence, POGL holds an 80 percent operating working interest, with NGC retaining the remaining 20 percent. Each licence carries an initial six-year exploration term, with the potential for a 19-year

extension upon an approved commercial discovery. POGL is responsible for 100 percent of the minimum work commitments during the exploration phase.

*Cipero (80 percent working interest)*

- Targets: Cipero spans 29,924 gross acres, offering exploration opportunities in the Retrench and Herrera sands at depths of 4,500 to 10,000 feet. Additionally, it presents potential in the Cretaceous formation at depths of 13,500 feet and beyond.
- Commitments: Work commitments include conducting geological studies, reprocessing seismic data and drilling four exploration wells.

*Charuma (80 percent working interest)*

- Targets: Charuma covers 72,784 gross acres, with exploration targets in the Nariva sands at depths of 2,000 to 5,000 feet. It also holds prospects in the Cretaceous formation, accessible at depths of 7,000 feet and beyond.
- Commitments: Minimum work obligations include conducting geological studies, reprocessing seismic data and drilling one exploration well.

*Rio Claro (80 percent working interest)*

The Rio Claro block encompasses 31,983 acres and is strategically contiguous with the Ortoire block and surrounds the Company's Balata East field. It represents a direct expansion of the Company's exploration and development within the Herrera Formation fairway.

- Targets: proprietary seismic data indicates that several high-potential Herrera anomalies extend from Ortoire into Rio Claro in structurally favorable up-dip locations. Specifically, the Cascadura-3ST1 crude oil discovery, the Royston anomaly, and the Kraken Cretaceous prospect all appear to extend into the Rio Claro acreage.
- Commitments: Work commitments include geological studies, reprocessing 3D seismic data, and drilling three exploration wells.

As of the date of this AIF, the Company and NGC have yet to execute Joint Operating Agreements for these properties; consequently, no significant operational developments occurred in 2025.

***Private Lease Agreements***

The Company manages several private surface and subsurface lease arrangements with individual landowners, typically carrying 35-year terms with no minimum work obligations.

As of December 31, 2025, the Company maintained five active private leases in the Barrackpore area. Production from these leases is sold to Heritage via a legacy crude oil sales agreement, invoiced monthly based on Heritage's monthly average equity land blend indexed price and are payable in US\$. Production from the disposed Fyzabad MEEI licence and private leases were also sold under this arrangement.

For the year ended December 31, 2025, the Barrackpore field averaged crude oil production of approximately 15 bbls/d (2024 - 8 bbls/d).

The following table sets forth information relating to the Barrackpore area as of December 31, 2025.

Field	Current licence expiry <sup>(1)</sup>	Carrying value <sup>(1)</sup> (\$000's)	Gross 1P reserves <sup>(2)</sup> (Mbbbls)	Gross 2P reserves <sup>(2)</sup> (Mbbbls)	Minimum work commitments <sup>(3)</sup> (\$000's)
Barrackpore	Various	186	49	62	-

Notes:

- (1) The individual leases have expiry dates ranging from September 30, 2028 through December 31, 2051.
- (2) Represents the estimated carrying value included in PP&E as at December 31, 2025 including allocated overhead.
- (3) Assigned gross light and medium crude oil reserves represent the Company's working interest share before deduction of royalties. Refer to the "Statement of Reserves Data and Other Oil and Gas Information" section herein for further details and applicable reserves advisories.
- (4) Private leases do not contain minimum work obligations.

## Production Volumes

The following table outlines total and average production volumes by during the years ended December 31, 2025 and 2024.

	Year ended December 31,		Year ended December 31,		
	2025	2024	2025	2024	
Crude oil (bbls)	396,820	446,420	Crude oil (bbls/d)	1,087	1,220
NGLs (bbls)	100,623	48,206	NGLs (bbls/d)	276	132
Natural gas (Mcf)	7,277,682	9,622,090	Natural gas (Mcf/d)	19,939	26,290
<b>Total production (boe)</b>	<b>1,710,390</b>	<b>2,098,308</b>	<b>Average daily production (boe/d)</b>	<b>4,686</b>	<b>5,734</b>

Total and average daily production volumes decreased by 18 percent compared to 2024. The decline was primarily driven by natural base declines in mature oil fields and the Cascadura gas field, which were partially offset by the integration of the Central block assets following the May 2025 acquisition.

## Petroleum and Natural Gas Sales

The Company's revenue is derived primarily from the monthly sale of crude oil, NGLs, and natural gas to GOTT owned entities and a third-party LNG marketing company in Trinidad. All revenue is recognized at a point in time when control of the product is transferred to the buyer, typically at the delivery point defined in the respective sales contracts.

The following table sets forth P&NG sales by major product type for the years ended December 31, 2025 and 2024.

(\$000's)	Year ended December 31,	
	2025	2024
Crude oil	23,591	30,317
NGLs	3,388	3,331
Natural gas	18,838	23,822
<b>Petroleum and natural gas sales</b>	<b>45,817</b>	<b>57,470</b>

## Realized Pricing Analysis

- Crude oil (Brent linked): Realized prices averaged \$59.45 per barrel in 2025, a 12 percent decrease compared to \$67.91 per barrel in 2024. This was primarily due to a 15 percent decline in the average Brent benchmark price, slightly offset by a narrowing of the realized price differential relative to Brent from 14.9 percent to 12.9 percent.
- NGLs (benchmark mix): 2025 NGL realized pricing averaged \$33.67 per barrel, representing a decline of 51 percent compared to \$69.10 per barrel in 2024. This year-over-year decline reflected a significant change in product mix following the Central acquisition. Cascadura NGLs, which were

the primary NGL component in 2024, are priced against Brent, while Central block NGLs, which represented 91 percent of 2025 NGL volumes, are priced against the lower WTI and Propane Plus benchmarks.

- Natural gas: 2025 Average realized prices rose 4 percent to \$2.59 per Mcf. This increase was driven by the addition of Central block volumes, which averaged \$2.75 per Mcf due to their international LNG market exposure.

## Property Acquisitions and Dispositions

We evaluate potential acquisitions and dispositions of our P&NG assets as part of our ongoing asset portfolio management program.

### 2025 Strategic Acquisition

On May 16, 2025, the Company acquired Shell Trinidad Central Block Limited for preliminary cash consideration of \$28.4 million. This expanded our gas footprint in the Herrera fairway and added critical infrastructure, including an 80 MMcf/d processing facility. For further information, please refer to the "General Development of the Business - Strategic Acquisition of the Central Block" section of this AIF.

### 2025 Disposition of Non-core Assets

Effective December 1, 2025, the Company closed an asset swap involving the Fyzabad MEEI lease and various private leases.

- Consideration: The transaction was structured as an asset swap for services, where the purchaser committed to drilling three turnkey wells on the Company's WD-8 and WD-4 blocks. The Company remains responsible for providing certain ancillary drilling and completion equipment, while the purchaser assumes all primary drilling operations and costs.
- Strategic rationale: Fyzabad was identified as non-core due to its high relative operating expenses, limited scalability, and significant decommissioning obligations. The property contributed average sales volumes of 48 bbls/d in 2025 (2024 - 59 bbls/d) with nominal operating netbacks.

This disposition aligned with the Company's strategy to focus on its core development assets, rationalize high-cost non-core operations, and redeploy resources toward higher-return projects.

## Summary of Commitments

Touchstone has contractual obligations incurred in the normal course of business. These primarily consist of minimum work obligations under Heritage operating agreements, exploration commitments under licences with the MEEI, and lease commitments for equipment and facilities.

The following table summarizes the Company's estimated minimum contractual payments as at December 31, 2025.

(\$000's)	Total	Estimated payments due by year			
		2026	2027	2028	Thereafter
<b>Operating agreement commitments</b>					
CO-1 block	<b>4,149</b>	57	3,774	101	217
WD-4 block <sup>(1)</sup>	<b>3,939</b>	2,456	1,285	62	136
WD-8 block <sup>(1)</sup>	<b>3,845</b>	2,439	1,267	44	95
Balata East block	<b>2,852</b>	1,277	78	1,332	165
Central block	<b>3,071</b>	449	473	499	1,650
Cascadura area of Ortoire block	<b>649</b>	4	42	44	559
Coho area of Ortoire block	<b>359</b>	2	23	24	310

(\$000's)	Total	Estimated payments due by year			
		2026	2027	2028	Thereafter
<b>Exploration block commitments</b>					
Charuma block	8,480	369	786	826	6,499
Cipero block	22,492	346	5,475	10,818	5,853
Ortoire block <sup>(2)</sup>	10,070	10,070	-	-	-
Rio Claro block	17,373	359	5,489	10,833	692
<b>Office and equipment leases</b>	1,161	302	232	177	450
<b>Total minimum payments</b>	<b>78,440</b>	<b>18,130</b>	<b>18,924</b>	<b>24,760</b>	<b>16,626</b>

Notes:

- (1) A portion of these commitments will be satisfied by the turnkey drilling obligations assumed by the Fyzabad property purchaser. Refer to the "Description of the Business and Operations - Property Acquisitions and Dispositions" section herein.
- (2) 2026 estimated payments include the drilling of two exploration wells in the Ortoire Licence. Touchstone and Heritage are in discussions with the MEEI to extend the licence for an additional three years, which may amend the timing of these commitments.

### **Heritage Operating Agreement Commitments**

Under the terms of its Heritage operating agreements, the Company is required to fulfill annual minimum work commitments. For 2026, these obligations include the drilling of seven development wells. The Company has committed to drilling four development wells in 2026 and is currently engaged in active discussions with Heritage to evaluate alternatives for meeting the remaining obligations or deferring requirements to better align with capital allocation priorities.

### **MEEI Licence Exploration Commitments**

As at December 31, 2025, the Company is committed to drilling an aggregate of ten exploration wells across its various exploration properties through 2029. Two of these wells are required on the Ortoire block, where the exploration portion of the Ortoire Licence expires in July 2026. Touchstone and Heritage are in discussions with the MEEI to extend the licence for an additional three years.

These commitments are vital to the Company's long-term organic growth strategy and the continued appraisal of the Herrera fairway.

### **Decommissioning Liabilities and Abandonment Funds**

Environmental stewardship is a core value at Touchstone. We conduct abandonment and reclamation activities prudently and responsibly, under the oversight of our Board and in compliance with local regulations. Touchstone's decommissioning and reclamation liabilities include future site restoration, well abandonment costs, the removal of production equipment, and land reclamation in accordance with current environmental regulations.

### **Abandonment Funds**

Under production and exploration licences with the MEEI, the Company is required to remit \$0.25 per boe sold into an escrow account in the name of the MEEI. These funds serve as a contingency for the remediation of pollution arising from petroleum operations and the eventual abandonment of wells and decommissioning of facilities used in those operations. The MEEI is obligated to return the escrowed funds once all environmental remediation obligations are fulfilled to its satisfaction.

With respect to well decommissioning liabilities under Heritage operating agreements, Touchstone is responsible for our proportional share of all well abandonment costs, which are determined based on our percentage of crude oil sold from a well relative to its cumulative historical production. Touchstone is not responsible for the decommissioning of existing infrastructure or sales facilities. The Company is required to remit \$0.25 per barrel and \$1.00 per barrel sold to Heritage into joint well abandonment funds under our three LOAs and Balata East EPSC, respectively. These funds are designated exclusively for well decommissioning. Any costs associated with wells abandoned during the relevant licence term are credited

against future contributions to the abandonment fund. Upon the expiration of the relevant agreement, Heritage will calculate the Company's total abandonment liability. If the liability exceeds the balance of the abandonment fund, the Company is obligated to pay the difference. Conversely, if the fund balance exceeds the liability, any surplus will be returned to Touchstone.

The Company remains responsible for all site restoration, well abandonment costs, and the removal of infrastructure and facilities used in petroleum operations conducted under private production agreements.

### ***Decommissioning Liabilities***

Based on December 31, 2025 estimates and excluding salvage value, the total anticipated Trinidad undiscounted future cost of abandonment and reclamation to be incurred over the life of the reserves was approximately \$15.5 million (\$18.2 million on an inflation adjusted basis). For consolidated financial statement purposes, as of December 31, 2025, the Company calculated inflation adjusted discounted Trinidad decommissioning liabilities to be \$12.1 million. The decommissioning obligation was estimated based on the Company's net ownership in all wells and applicable facilities and included assumptions in respect of actual costs to abandon wells or reclaim a property, the time frame in which such costs will be incurred, historical well production and annual inflation factors.

Further information regarding decommissioning liabilities for the years ended December 31, 2025 and 2024 are included in Note 15 "*Decommissioning Liabilities and Abandonment Fund*" of the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)). See the "*Risk Factors*" section in this AIF for specific risks regarding decommissioning liabilities and related estimates.

### **Specialized Skill and Knowledge**

Operations in the oil and natural gas industry mean that Touchstone requires professionals with skills and knowledge in diverse fields of expertise. In the course of our exploration, development and production of hydrocarbons, we utilize the expertise of geophysicists, geologists, petroleum engineers and other local and international advisors. We may face challenges in attracting and retaining employees, consultants and advisors to meet these needs. See the "*Risk Factors*" section in this AIF for further information.

### **Competitive Conditions**

There is considerable competition in the worldwide oil and natural gas industry, including in Trinidad and Canada where our assets, activities, and employees are located. Operators more established than us, with access to broader technical skills, larger amounts of capital and other resources, are active in the industry in Trinidad and Canada. This represents a significant risk for the Company, which must rely on modest resources as compared to some of its competitors. We strive to be competitive by maintaining financial flexibility and by utilizing current technologies to enhance optimization, development and operational activities. See the "*Risk Factors*" section herein for further information.

### **Cyclical Nature of the Business**

The Company's financial performance is highly sensitive to the prices received for its crude oil, NGL, and natural gas production. Commodity prices are volatile and are influenced by global supply and demand, geopolitical events, and economic conditions. Fluctuations in these prices can impact operating cash flows, the valuation of P&NG development properties, the timing and scope of capital expenditures, and the Company's ability to meet its financial obligations. See the "*Risk Factors*" section in this AIF for further information.

Management continues to monitor forward commodity curves and may enter into risk management contracts (hedged) in the future to protect the funding of its exploration and development programs. In parallel, Touchstone regularly reviews and adjusts its capital plans to reflect prevailing market conditions.

## **Crude Oil and NGLs**

Crude oil and NGL prices are subject to international benchmarks and local quality differentials. While the Company does not currently have active financial hedges in place for these volumes, it maintains operational flexibility by adjusting capital programs to reflect prevailing market conditions.

## **Natural Gas**

The Company does not currently utilize natural gas hedging strategies, as its natural gas portfolio features a strategic mix of fixed-price stability and market-linked upside.

A significant portion of the Company's revenue is derived from a long-term, fixed-price arrangement with NGC for Ortoire block production. This contract, which commenced in October 2022, provides a predictable cash flow stream and mitigates exposure to global natural gas price volatility. The contract provides for price renegotiations on each fifth anniversary; however, there is no guarantee that renegotiations will result in higher prices.

Natural gas volumes from the newly acquired Central block are primarily linked to global LNG pricing. This provides the Company with exposure to international market dynamics and potential price appreciation.

Domestic natural gas prices in Trinidad are primarily influenced by local supply and demand, with significant demand originating from the power generation and petrochemical sectors. In contrast, LNG export prices are increasingly tied to global market volatility and are currently influenced by a basket of international benchmarks. Global supply chain disruptions can cause sharp fluctuations in the international benchmarks that now dictate a portion of the Company's realized pricing. A sustained decline in realized prices would adversely affect the Company's cash flows and the carrying value of its development properties.

## **Risks of Foreign Operations**

All of our P&NG operations occur outside of Canada and therefore are subject to political and regulatory risks in those jurisdictions. To date we have concentrated all of our activities and resources to Trinidad, and we expect our short-term acquisition strategy to be confined to acquisition and consolidation opportunities within Trinidad. However, the Board is constantly reviewing opportunities in international jurisdictions and may, at its discretion, approve asset or corporate acquisitions or investments outside of Trinidad that are deemed in our best interest. All of our current P&NG operations are therefore subject to political and regulatory risk in foreign jurisdictions. In addition, we have implemented an Anti-Bribery and Anti-Corruption Policy in accordance with Canadian, United Kingdom, and Trinidadian law. See the "*Risk Factors*" section herein for further information.

## **Trinidad Economic Dependence**

We hold the majority of our P&NG interests indirectly through GOTT issued exploration and production licences with the MEEI and sub licence contracts with Heritage. These licences and agreements permit the Company's subsidiaries to retain cash flows from the operation of the assets but do not entitle the Company or its subsidiaries to ownership of any reserves. These licences and agreements contain significant obligations on the part of the Company's subsidiaries which, upon a continuing default, may give rise to the termination of our indirect interest therein. There are no assurances that all of these commitments will be fulfilled within the time frames allowed. As such, we may lose certain exploration and production rights on the blocks affected and may be subject to certain financial penalties that would be levied by the MEEI or Heritage, as applicable. In certain circumstances, these licences or agreements may be terminated at the MEEI's or Heritage's discretion and are subject to a defined term with no certainty as to any renewal.

The Company's subsidiaries sell all of their current crude oil and liquids produced from operating blocks to Heritage, and the majority of our production is paid the market value thereof net of state royalties, overriding royalties, abandonment fund payments, reimbursements and charges as well as defined contributions under the applicable head licence. All crude oil and liquids production is required to be sold

to Heritage based on global export prices for similar crude blends adjusted for quality differentials in accordance with regularly established practices.

Touchstone is further exposed to sole purchaser risk as NGC is the sole purchaser of natural gas production on the Ortoire block. In addition, under normal operating conditions, Central block natural gas is sold to a third-party LNG marketing firm; however, the Company has the ability to nominate volumes to NGC for domestic sale if the Atlantic LNG facility is unavailable.

Our ability to market our P&NG production depends upon numerous factors beyond our control, including: the availability of pipeline capacity; the supply of and demand for P&NG; the availability of alternative fuel sources; Heritage's and NGC's future financial viability and ability to remain a going concern; and the effects of weather conditions. Deliverability uncertainties relate to third-party processing and storage facilities, operational problems affecting pipelines and facilities as well as government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of P&NG, domestic demand for natural gas and international demand for LNG. Because of these factors, we could be unable to market all of the P&NG we produce, and we may be unable to obtain competitive prices for the P&NG we produce. See the "*Risk Factors*" section in this AIF for further information.

### **Renegotiation or Termination of Contracts**

As at the date of this AIF, we do not anticipate that any aspect of our business will be materially affected in the remainder of 2026 by the renegotiation or termination of contracts or subcontracts.

### **Human Resources**

As of December 31, 2025, we employed 88 full-time-equivalent employees in Trinidad and 15 full-time-equivalent employees at our Canadian head office (2024 - 88 and 16, respectively). Additional engineering, geological, drilling and administrative consultants are engaged on an as-needed, contract basis to provide technical services. The level of staffing will vary based on our future operational and administrative demands.

### **Bankruptcy and Similar Procedures**

There have been no bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries; or any voluntary bankruptcy, receivership or similar proceedings by the Company or any of its subsidiaries within the three most recently completed financial years or during or proposed for the current financial year.

### **Reorganizations**

Except as set forth below, there have been no material reorganizations of the Company or any of its subsidiaries within the three most recently completed financial years or during or proposed for the current financial year.

Effective January 1, 2023, Touchstone Exploration Inc. and its subsidiary, Touchstone Energy, were amalgamated via short-form amalgamation pursuant to the ABCA, and the amalgamated corporation continued under the name of Touchstone Exploration Inc. The amalgamation was conducted as part of Touchstone's ongoing improvement of its organizational tax structure.

Effective December 12, 2025, the Company completed a simplified horizontal amalgamation of its wholly owned subsidiaries, Touchstone Trinidad Central Block Ltd. (acquired in May 2025) and POGL. POGL remains the surviving legal entity. This internal reorganization was conducted to streamline the Company's Trinidadian legal and reporting structure and reduce administrative complexity following the acquisition of the Central Licence and related assets.

## Ongoing Acquisition and Disposition Activities

### **Potential acquisitions**

We evaluate potential acquisitions of all types of P&NG and other energy-related assets as part of our ongoing asset portfolio management program. We may be in the process of evaluating several potential acquisitions at any one time, which individually or together could be material, and it is in the normal course of our business to routinely consider offers on properties or acquisitions that fit within our business objectives. Further, we may also examine opportunities in other international jurisdictions. See the "*Risk Factors*" section in this AIF for further information.

### **Potential dispositions**

We evaluate potential dispositions of our P&NG assets as part of our ongoing asset portfolio management program. In addition, we evaluate potential farm-out opportunities with other industry participants in respect of our P&NG assets in circumstances where we believe it is prudent to do so based on, among other things, our capital program, development plan timelines, current liquidity and the risk profile of such assets. We may be in the process of evaluating several potential dispositions of our assets and farm-out opportunities at any one time, which individually or together, could be material.

## Environmental Policies

We are committed to managing and operating in a safe, efficient, environmentally responsible manner in association with our partners and are committed to continually improving our ESG and safety performance while having a positive influence on the communities impacted by our operations. To fulfill this commitment, our operating procedures are consistent with the requirements established for the Trinidad oil and natural gas industry. These practices and procedures apply to our employees, and we monitor all activities and make reasonable efforts to ensure that companies that provide services to us will operate in a manner consistent with our operating policies.

We operate under the jurisdiction of various regulatory bodies and agencies in Trinidad that set forth numerous prohibitions and requirements with respect to planning and approval processes related to land use, sustainable resource management, water management, waste management, responsibility for the release of hazardous materials, protection of wildlife and the environment, and the health and safety of workers. Legislation provides for restrictions and prohibitions on the transport of dangerous goods and the release or emission of various substances, including substances used and produced in association with certain oil and natural gas industry operations. The legislation addresses various permits, including for drilling, well completion, installation of pipelines and surface equipment, air monitoring, surface and ground water monitoring in connection with these activities, waste management and access to remote or environmentally sensitive areas. In addition, certain types of operations that require Certificates of Environmental Clearance ("**CEC**") from the Trinidad Environmental Management Authority ("**EMA**") may also require the submission and approval of environmental impact assessments. See the "*Industry Conditions - Environmental Regulations*" section in this AIF for further information.

Environmental stewardship is a core value at Touchstone, and we are focused on reducing the environmental footprint of our exploration and production operations by continuously monitoring our environmental impact, developing corporate strategies, and investing in new technologies to address any risks. Touchstone Trinidad has a health, safety and environment ("**HSE**") department with oversight of workers' health, safety and environmental stewardship. We believe we use best environmental practices in the planning, design, and implementation of exploration programs and P&NG production. Our main environmental strategies include the preparation of comprehensive environmental impact assessments and creating all encompassing environmental management plans. Monitoring and reporting programs for HSE performance in day-to-day operations, as well as inspections and assessments, are designed to provide assurance that environmental and regulatory standards are continually met in Trinidad. We maintain a comprehensive integrity monitoring and management program for our wells, pipelines, facilities and storage

tanks. Contingency plans are in place for a timely response to an environmental event, and abandonment, remediation and reclamation programs are implemented and utilized to restore the environment.

We believe that we meet all existing environmental standards and regulations and include sufficient amounts in our operating and capital expenditure budget to continue to meet current environmental protection requirements. These requirements apply to all operators in the Trinidad oil and natural gas industry; therefore, it is not anticipated that our competitive position within the domestic industry will be adversely affected by changes in applicable legislation. We have internal procedures designed to ensure that detailed due diligence is conducted to assess environmental liabilities and regulatory compliance is completed prior to proceeding with new acquisitions and developments. However, the oil and natural gas industry may in the future become subject to more stringent environmental protection rules. This could increase the cost of doing business and may have a negative impact on the Company's cash flows and financial position in the future. See the "Risk Factors" section in this AIF for further information.

Environmental regulations and the procurement of the necessary approvals have resulted in past capital project delays, which were forecasted to have a significant financial effect on the Company's historical financial results. In April 2021, we submitted a CEC for development activities in the Cascadura area of the Ortoire Licence from the EMA. The CEC was granted later than anticipated in August 2022 which delayed the construction of the natural gas facility and forecasted production and cash flows therefrom. Touchstone is committed to meeting its responsibilities to protect the environment wherever it operates and will take such steps as required to ensure compliance with environmental legislation and will not prioritize financial results over the environment.

We expect to incur abandonment and site reclamation costs as existing P&NG properties are abandoned and reclaimed (refer to the "Description of the Business and Operations - Decommissioning Liabilities and Abandonment Funds" section herein). In 2025, expenditures for normal compliance with environmental regulations were not material.

Management is responsible for reviewing the Company's internal control systems in the areas of HSE and strategies and policies regarding HSE, including the Company's emergency response plan. Management reports to the Board's Health, Safety, Social and Environmental Committee ("**HSSE Committee**") and to the Board on at least a quarterly basis with respect to HSE matters, including: (i) compliance with all applicable laws and regulations policies with respect to HSE; (ii) on emerging trends, issues and regulations related to HSE that are relevant to the Company; (iii) the findings of any significant report by regulatory agencies, external HSE consultants or auditors concerning performance in HSE; (iv) any necessary corrective measures taken to address issues and risks with regards to the Company's performance in the areas of HSE that have been identified by Management, external auditors or by regulatory agencies; (v) the results of any review with Management, external consultants and legal advisors of the implications of major corporate undertakings such as the acquisition or expansion of facilities, decommissioning of facilities or ongoing drilling and development operations; and (vi) all incidents and near misses with respect to the Company's operations, including corrective actions taken as a result thereof.

The Board provides oversight of ESG matters and has delegated its duties to receive reports and recommendations from its HSSE Committee. The Board and Management monitor and assess Touchstone's practices and internal controls, ensuring that the Company's overall approach and direction are within the Company's ESG framework. We believe that sustainability is a multidisciplinary focus that balances economic growth, environmental stewardship and social responsibility. We remain committed to the transparency of our sustainability efforts to ensure the ongoing accountability and productivity of our business. See the "Risk Factors" section herein for a discussion with the risk factors involved regarding our internal ESG-related goals and targets.

### **Trends in Environmental Regulation**

The Company is of the opinion that it is reasonably likely that in its areas of operation the trend towards stricter standards in environmental legislation and regulation will continue. We anticipate increased capital and operating expenditures as a result of increasingly stringent laws relating to the protection of the

environment. No assurance can be given that environmental laws will not result in a curtailment of production or material increase in the costs of production, development or explorations activities, or otherwise adversely affect the Company's financial condition, capital expenditures, results of operations, competitive position or prospects. See the "*Risk Factors*" section in this AIF for further information.

## **Social Policies**

Touchstone is committed to providing a healthy and safe working environment for employees, contractors and the general public. This is supported by dedicated staff and contractors who provide on-site health and safety support as well as ongoing hazard assessments, interim and annual audits and training programs. Emergency response planning is integrated into all projects.

We are committed to cultivating the wellbeing of the communities where we operate. We recognise that the local community is an important stakeholder group where we conduct our operations and that the ultimate success of our operations means creating shared benefits with surrounding communities. We have established policies and practices that complement our basic responsibilities as a development tool for local communities in Trinidad. Our social responsibility strategy aims at creating local employment opportunities and providing industry education and health training programs. Through investing in environmental and social initiatives, we aim to support the communities by setting goals that promote sustainable development.

We are proactive in our communications with the local communities where we are actively exploring or developing projects. Our goal is to establish open and fair consultation processes with all stakeholders, provide information on local business and employment opportunities, identify areas of interest or concern, and develop mutually beneficial working relationships. Developing strong relationships with local authorities, goods and service providers, social and environmental organizations, health and education leaders, youth leaders, and role models is vital to our core values and beliefs. Community involvement embodies our core corporate values and beliefs, and it supports causes that contribute positively to the quality of life in members of the communities where we operate.

## **Industry Conditions**

The following is a brief summary of the economic and energy market conditions encountered in conducting onshore oil and natural gas operations in Trinidad. The industry-related information in this section has been sourced from public information (refer to the "*Notes to Reader - Advisories - Market, Independent Third Party and Industry Data*" section of this AIF).

### **Economic and Market Conditions**

The islands of Trinidad and Tobago are located at the southern end of the Caribbean archipelago, positioned between the Atlantic Ocean and the Caribbean Sea, northeast of Venezuela. The southern coast of Trinidad lies approximately 11 kilometres from the Venezuelan mainland, while Tobago is located approximately 30 kilometres northeast of Trinidad. Trinidad is the largest economy within the CARICOM, with economic activity heavily concentrated in the energy sector.

The economy of Trinidad is highly dependent on the exploration, production, processing and export of hydrocarbons. The country has a long-established petroleum industry, with cumulative crude oil production exceeding three billion barrels since 1908. In recent years, hydrocarbon production has declined due to natural reservoir depletion, reduced upstream investment and delays in the development of new supply sources.

Natural gas production, which represents the majority of the country's hydrocarbon output, averaged approximately 2.5 billion cubic feet per day in 2024, reflecting ongoing supply constraints. Crude oil and liquids production has stabilized in recent periods at approximately 70,000 to 75,000 barrels per day following several years of decline. While Trinidad remains a significant regional hydrocarbon producer, it has been surpassed by Guyana as the largest oil-producing jurisdiction in the Caribbean.

The energy sector is predominantly gas-focused, with natural gas serving as the primary feedstock for LNG exports and a substantial downstream petrochemical industry. Trinidad is one of the largest LNG exporters in the Caribbean, with LNG volumes marketed to customers in the Americas, Europe and Asia. In 2024, LNG exports were approximately 10.3 billion cubic metres, reflecting a modest decline from prior periods due to upstream supply limitations and maintenance activities at liquefaction facilities. LNG exports remain a critical source of government revenue and foreign exchange earnings.

The country's downstream sector includes a large petrochemical complex at Point Lisas, which produces ammonia, methanol and other products for export markets. The continued operation of these facilities is dependent on reliable upstream natural gas supply. In recent years, reduced gas production has resulted in underutilization of LNG and petrochemical capacity, highlighting the importance of new upstream developments.

Trinidad has developed significant energy infrastructure, including offshore and onshore production facilities, pipeline networks, natural gas processing plants and LNG liquefaction capacity at Atlantic LNG in Point Fortin. However, certain infrastructure assets, including Atlantic LNG Train 1, have experienced reduced utilization and are expected to be decommissioned or repurposed, subject to commercial and regulatory considerations.

The energy sector underwent material restructuring following the closure of the Petrotrin refinery in 2018. Upstream exploration and production activities are now conducted primarily by Heritage and international operators, while fuel importation and marketing are managed by Paria Fuel Trading Company Limited. The closure of the Pointe-à-Pierre refinery resulted in a structural shift toward crude oil exports and reliance on imported refined products for domestic consumption.

The GOTT continues to prioritize investment in upstream oil and natural gas development in order to address declining production and support the utilization of existing downstream infrastructure. Several offshore natural gas projects, primarily operated by international companies, are in various stages of development and are expected to contribute incremental supply over the medium term. In addition, the GOTT has pursued cross-border gas development initiatives with Venezuela, including the Dragon gas field, which may provide additional supply, although timing and execution remain subject to regulatory and geopolitical considerations.

The broader economy remains closely linked to energy sector performance. Hydrocarbon exports account for a substantial majority of export earnings and are a key source of government revenue and foreign exchange. As a result, economic growth is highly sensitive to changes in production volumes, global commodity prices and capital investment in the upstream sector.

The Central Bank of Trinidad has projected modest economic growth in the near term, supported by anticipated increases in hydrocarbon production and relatively stable activity in the non-energy sector. Inflation has remained moderate, although there is potential for upward pressure arising from fiscal and utility pricing adjustments. The Central Bank actively manages the exchange rate through periodic intervention in the foreign exchange market to maintain relative stability of the Trinidad and Tobago dollar against the U.S. dollar. However, constraints in foreign exchange liquidity have been observed in recent years, which may impact the timing and availability of U.S. dollar-denominated transactions.

## **Royalties**

The following is a discussion of the royalty regime affecting the Company as of December 31, 2025.

### ***Trinidad State Royalties***

Touchstone is obligated to pay a state royalty rate of 12.5 percent on all P&NG production under MEEI and Heritage licences. For private leases, the Company incurs private royalties between 10 percent and 12.5

percent of crude oil sales. Touchstone is also responsible for an MEEI impost fee applicable on all P&NG production, which varies on an annual basis and was approximately \$0.28 per boe in 2024.

### **Heritage Royalties**

In addition to state royalties, our LOAs with Heritage governing the CO-1, WD-4 and WD-8 blocks as well as the Balata East block EPSC apply a sliding scale overriding royalty ("**ORR**") structure indexed to the average price of crude oil realized in a production month. Base ORR rates are applicable to pre-defined monthly base production levels which decline by 2 percent per annum over the specific licence. For any monthly volumes sold in excess of base production levels, the Company incurs reduced enhanced ORR rates. For any production in excess of defined enhanced production levels, we incur super enhanced ORR rates which represent 50 percent of enhanced ORR rates.

The following table summarizes royalty rates attributable to our Heritage operating agreements based on monthly realized crude oil pricing received.

Monthly realized oil price (\$)	LOA Royalty Rates (%)			Balata East EPSC Royalty Rates (%)		
	Base ORR	Enhanced ORR	Super Enhanced ORR	Base ORR	Enhanced ORR	Super Enhanced ORR
40.01 - 50.00	25.00	8.00	4.00	19.50	10.00	5.00
50.01 - 70.00	28.00	15.50	7.75	21.00	11.50	5.75
70.01 - 90.00	33.00	17.00	8.50	26.00	18.00	9.00
90.01 - 200.00	35.00	20.00	10.00	28.00	19.00	9.50

Under the Company's properties governed by Heritage operating agreements, aggregate state and Heritage royalties as a percentage of crude oil sales were approximately 34.8 percent, from an approximate average realized price of \$59.45 during the year ended December 31, 2025.

### **Income Taxes**

The following is a discussion of the income tax regime affecting Touchstone's operations as of December 31, 2025.

Trinidad has a value-added tax rate of 12.5 percent on standard goods and services. P&NG are zero-rated goods. In addition, Trinidad has a withholding tax rate of 10 percent for intercompany transactions with our Canadian resident head office.

The Company's two Trinidad exploration and production subsidiaries are subject to the following Trinidad petroleum taxes:

- Supplemental Petroleum Tax ("**SPT**") 18 percent of gross liquids revenue less related royalties
- Petroleum Profits Tax ("**PPT**") 50 percent of net taxable profits
- Unemployment Levy ("**UL**") 5 percent of net taxable profits
- Green Fund Levy ("**GFL**") 0.3 percent of gross revenue

SPT is levied on a quarterly basis and is applicable to crude oil and liquids volumes by field. Actual rates vary based on the average realized selling prices of crude oil and liquids in the applicable quarter. The SPT rate is zero when the weighted average realized price of crude oil and liquids for a given quarter is below \$75.00 per barrel and 18 percent when weighted average realized prices fall between \$75.00 and \$90.00 per barrel. For quarterly average prices greater than \$90.00, the SPT rate is 18 percent plus 0.2 percent per \$1.00 above \$90.00 per barrel. The tax base for the calculation of SPT is crude oil and liquids sales less related royalties paid, less 30 percent investment tax credits on mature oilfields for allowable tangible and intangible capital expenditures incurred in the applicable fiscal quarter. The Ortoire property is not

considered a mature oilfield, and thus no capital spending investment tax credits are applicable. The Company incurred no SPT during the 2024 and 2025 financial years.

PPT and UL taxes are levied on an annual basis and are calculated based on net taxable profits. Net taxable profits are determined by calculating gross revenue less: royalty expense, SPT paid during the year, capital allowances, operating expense, general and administration expense, and certain finance expenses. PPT losses may be carried forward indefinitely to reduce PPT in future years but can only be used to shelter a maximum of 75 percent of income subject to PPT per annum. UL losses cannot be carried forward to reduce future year UL. Developmental and exploratory capital expenditure allowances (tangible and intangible) are amortized on a five-year straight-line basis.

Touchstone's Trinidad oilfield service subsidiary is subject to the greater of a 30 percent corporate income tax calculated on net taxable profits or a 0.6 percent business levy calculated on gross revenue. The service company is also subject to the GFL disclosed above. All corporate income tax losses can be carried forward indefinitely, and allowances vary from 10 percent to 33.3 percent for various capital expenditures incurred in the year.

### **Regulatory Regime**

Touchstone works with the MEEI and Heritage as required on regulatory matters relating to day-to-day operations as well as all exploration and development projects. Oil and natural gas exploration and development activities and the petroleum industry overall are governed by the Petroleum Act (1969), the Petroleum Regulations (1970) made thereunder, and the Petroleum Tax Act (1974). Activities conducted on our CO-1, WD-4, WD-8 and Balata East properties are further governed by the relevant operating agreements with Heritage, which give Heritage a measured oversight of all activities occurring on the properties. We strive to meet or exceed the regulatory standards outlined by all governing agreements and regulations, and we believe we are currently compliant with all requirements outlined under various governmental regulations.

### **Environmental Regulations**

From an environmental perspective, Touchstone's operations in Trinidad are regulated by the EMA, with additional oversight from Heritage on our properties governed by Heritage sub-licences. The EMA was established from and oversees regulation of the Environmental Management Act 2000 of Trinidad and Tobago. The Environmental Management Act governs the protection, conservation, enhancement, and use of the environment of Trinidad. Further environmental regulation may, under certain circumstances, fall under the regulation of the Water and Sewerage Authority of Trinidad and Tobago and the Forestry Division of the Trinidad and Tobago Ministry of Agriculture, Land and Fisheries.

We are sensitive to the environmental impact of our operations and, under the supervision of our HSE department, work closely with regulatory agencies and industry partners to be compliant with all environmental regulations in Trinidad and to meet international best practices wherever possible (refer to the "*Description of the Business and Operations - Environmental Policies*" section herein).

**FORM 51-101F1**  
**STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION**

### **Introduction and Effective Dates**

This statement of reserves data and other oil and natural gas information (the "**Reserves Data**") is dated December 31, 2025. The Reserves Data was prepared on February 19, 2026, with an effective date of December 31, 2025. All of the Company's reserves are located onshore in the Republic of Trinidad and Tobago.

### **Independent Evaluation**

The Reserves Data is based on an independent evaluation conducted by GLJ, an independent qualified reserves evaluator as defined under NI 51-101, as set forth in its Reserves Report dated February 24, 2026 with an effective date of December 31, 2025. GLJ evaluated 100 percent of the Company's light and medium crude oil, conventional natural gas, and natural gas liquids reserves, and the net present values of future net revenue for such reserves using forecast prices and costs as at December 31, 2025. The Company confirms that it has no reserves or production related to coal bed methane, synthetic crude oil, bitumen, gas hydrates, shale gas, synthetic gas or tight oil.

Future net revenue is the estimated revenue from production of the reserves, calculated using forecast prices and costs, after deduction of royalties, operating costs, future development costs and abandonment and reclamation costs but before deduction of indirect costs such as general and administrative expenses, financing costs and other corporate expenses.

### **Compliance and Methodology**

GLJ has confirmed that the reserves estimates presented in the Reserves Report are based on the guidelines contained in the COGE Handbook and the reserve definitions contained in NI 51-101 and CSA 51-324. A summary of those definitions is set forth in the "*Certain Definitions*" section of this AIF. GLJ was engaged to provide independent evaluations of proved, proved plus probable and proved plus probable plus possible reserves. Additional information not required by NI 51-101 has been presented to provide continuity and clarity, which the Company believes is important to the readers of this information.

The Reserves Committee of the Board of Directors has reviewed the procedures followed by Management and GLJ in the preparation of the Reserves Report and has recommended its approval to the Board of Directors. The Board of Directors has reviewed and approved the Reserves Report and the filing of such information in this AIF. The Report of Management and Directors on Oil and Gas Disclosure on Form 51-101F3 and the Report on Reserves Data by GLJ on Form 51-101F2 are attached as Appendices "A" and "B" hereto, respectively.

### **Cautionary Advisory Regarding Reserves**

It should not be assumed that the estimates of future net revenue presented herein represent the fair market value of the reserves. There is no assurance that the forecast prices or cost assumptions will be attained, and variances could be material. There are numerous uncertainties inherent in estimating quantities of P&NG reserves and the future cash flows attributed to such reserves. The recovery, reserve estimates and associated cash flow information provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein. Readers should review the definitions and information contained in the "*Certain Definitions*" section herein in conjunction with the following tables and notes. Readers should also consult the "*Risk Factors*" and "*Notes to Reader - Advisories - Forward-Looking Statements*" sections of this AIF for a comprehensive understanding of the risks associated with these estimates.

In general, estimates of economically recoverable P&NG reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the

properties, future production rates, ultimate reserve recovery, marketability of products, timing and amount of royalty, operating, future development and abandonment and reclamation costs, tax rates, and the assumed effects of regulation by governmental agencies, all of which may vary materially from actual results. For those reasons, among others, estimates of the economically recoverable P&NG reserves attributable to any particular group of properties, and classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves may vary, and such variations may be material. The actual production, revenues, royalty, operating, development and abandonment and reclamation costs and income tax expenses with respect to the reserves associated with the Company's properties may vary from the information presented herein, and such variations could be material.

The extent and nature of all information supplied by the Company, which may have included ownership data, well information, geological information, reservoir studies, timing and future production, current product prices, royalty rates, operating cost data, income tax rates, capital budget forecasts and future operating plans, were relied upon by GLJ in preparing the Reserves Report and were accepted as represented without independent verification. All information provided to GLJ was current as at December 31, 2025, and accordingly, certain of such information might not be representative of current conditions.

Oil equivalent amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). Boe may be misleading, particularly if used in isolation, as the conversion ratio is based on an energy equivalency method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead (refer to "Notes to Reader - Advisories - Oil and Gas Metrics").

### Disclosure of Reserves Data

The following tables summarize the Company's light and medium crude oil, conventional natural gas and NGL reserves and the net present value of the future net revenue attributable to such reserves, as evaluated in the Reserves Report based on GLJ's December 31, 2025 forecast price and cost assumptions.

The tables contained in the Reserves Data are a summary of the Reserves Report and as a result, may contain slightly different numbers, and columns may not add exactly. Assumptions and qualifications relating to costs and prices for future production and other matters are summarized in the notes to the following tables. All dollar amounts in the tables below are expressed in **United States dollars**.

### Summary of Reserves Data - Based on Forecast Prices and Costs

Company Gross <sup>(1)</sup> Reserves	Light and Medium Crude Oil (Mbbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl) <sup>(2)</sup>	Total Oil Equivalent (Mboe)
<b>Proved</b>				
Developed producing	3,274	35,240	785	9,933
Developed non-producing	1,332	7,493	251	2,832
Undeveloped	4,544	59,718	297	14,795
<b>Total Proved</b>	<b>9,151</b>	<b>102,451</b>	<b>1,333</b>	<b>27,559</b>
Probable	8,960	76,036	367	21,999
<b>Total Proved plus Probable</b>	<b>18,111</b>	<b>178,486</b>	<b>1,700</b>	<b>49,558</b>
Possible	6,265	53,028	290	15,394
<b>Total Proved plus Probable plus Possible</b>	<b>24,376</b>	<b>231,514</b>	<b>1,990</b>	<b>64,952</b>

Notes:

- (1) "Gross" reserves are the Company's total working interest share before the deduction of royalties. Refer to the "Certain Definitions" section herein.  
(2) NGLs, including field condensate.

Company Net <sup>(1)</sup> Reserves	Light and Medium Crude Oil (Mbbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl) <sup>(2)</sup>	Total Oil Equivalent (Mboe)
<b>Proved</b>				
Developed producing	1,944	30,624	687	7,735
Developed non-producing	900	6,517	220	2,206
Undeveloped	3,392	51,890	260	12,300
<b>Total Proved</b>	<b>6,236</b>	<b>89,031</b>	<b>1,166</b>	<b>22,241</b>
Probable	6,805	66,091	321	18,141
<b>Total Proved plus Probable</b>	<b>13,041</b>	<b>155,122</b>	<b>1,487</b>	<b>40,382</b>
Possible	4,732	46,103	254	12,670
<b>Total Proved plus Probable plus Possible</b>	<b>17,773</b>	<b>201,225</b>	<b>1,741</b>	<b>53,052</b>

Notes:

- (1) "Net" reserves are the Company's working interest share after the deduction of royalty obligations. Refer to the "Certain Definitions" section herein.  
(2) NGLs, including field condensate.

### Summary of Net Present Values of Future Net Revenues - Based on Forecast Prices and Costs

Net Present Values Before Income Taxes (\$000's)	Undiscounted	Discounted at 5%	Discounted at 10%	Discounted at 15%	Discounted at 20%
<b>Proved</b>					
Developed producing	156,204	126,758	107,295	93,202	82,459
Developed non-producing	77,615	60,539	49,826	42,321	36,719
Undeveloped	290,765	225,246	178,588	144,311	118,450
<b>Total Proved</b>	<b>524,584</b>	<b>412,543</b>	<b>335,710</b>	<b>279,834</b>	<b>237,627</b>
Probable	584,583	419,085	316,806	247,878	198,922
<b>Total Proved plus Probable</b>	<b>1,109,167</b>	<b>831,628</b>	<b>652,516</b>	<b>527,712</b>	<b>436,550</b>
Possible	482,828	319,961	232,649	178,738	142,497
<b>Total Proved plus Probable plus Possible</b>	<b>1,591,996</b>	<b>1,151,589</b>	<b>885,165</b>	<b>706,450</b>	<b>579,046</b>
<b>Net Present Values After Income Taxes<sup>(1)</sup> (\$000's)</b>					
<b>Proved</b>					
Developed producing	116,217	101,364	89,142	79,350	71,433
Developed non-producing	32,884	27,699	24,232	21,674	19,661
Undeveloped	123,263	92,008	69,729	53,515	41,476
<b>Total Proved</b>	<b>272,364</b>	<b>221,071</b>	<b>183,103</b>	<b>154,539</b>	<b>132,570</b>
Probable	242,575	175,757	131,742	101,492	79,928
<b>Total Proved plus Probable</b>	<b>514,939</b>	<b>396,829</b>	<b>314,844</b>	<b>256,031</b>	<b>212,498</b>
Possible	190,895	133,675	99,304	77,098	61,826
<b>Total Proved plus Probable plus Possible</b>	<b>705,834</b>	<b>530,504</b>	<b>414,148</b>	<b>333,129</b>	<b>274,324</b>

Note:

- (1) The after-tax net present values prepared by GLJ in the evaluation of the Company's reserves presented herein are calculated by considering current Trinidad tax regulations and are based on the Company's estimated tax pools and non-capital losses as of December 31, 2025. The values reflect the expected income tax burden on the assets on a consolidated basis. The values do not represent an estimate of the value at the business entity level or consider tax planning, which may be significantly different. For information at the business entity level, see the audited financial statements and accompanying MD&A, which are available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

## Total Future Net Revenues (Undiscounted) - Based on Forecast Prices and Costs

(\$000's)	Proved Reserves	Proved plus Probable Reserves	Proved plus Probable plus Possible Reserves
Revenue <sup>(1)</sup>	1,147,097	2,165,065	2,929,394
Royalties	279,796	497,222	666,853
Operating costs	217,299	342,989	441,429
Future development costs	114,680	202,087	213,703
Abandonment and reclamation costs <sup>(2)</sup>	10,737	13,600	15,413
<b>Future net revenue before income taxes</b>	<b>524,584</b>	<b>1,109,167</b>	<b>1,591,996</b>
Future income taxes <sup>(3)</sup>	252,220	594,229	886,162
<b>Future net revenue after income taxes</b>	<b>272,364</b>	<b>514,939</b>	<b>705,834</b>

Notes:

- (1) Includes all product revenues.  
(2) Refer to the "Significant Factors or Uncertainties Affecting Reserves Data - Abandonment and Reclamation Costs" section herein.  
(3) Refer to Note 1 of the "Summary of Net Present Values of Future Net Revenues - Based on Forecast Prices and Costs" table above.

## Future Net Revenues by Product Type - Based on Forecast Prices and Costs

Product Type and Reserves Category	Future Net Revenue Before Income Taxes Discounted at 10% per year <sup>(1)</sup>		
	\$000's	\$/boe	\$/Mcf
Light and medium oil <sup>(2)</sup>	109,073	17.78	2.96
Conventional natural gas <sup>(3)</sup>	226,637	14.07	2.35
<b>Total Proved</b>	<b>335,710</b>	<b>15.09</b>	<b>2.52</b>
Light and medium oil <sup>(2)</sup>	262,932	20.39	3.40
Conventional natural gas <sup>(3)</sup>	389,584	14.17	2.36
<b>Total Proved plus Probable</b>	<b>652,516</b>	<b>16.16</b>	<b>2.69</b>
Light and medium oil <sup>(2)</sup>	381,668	21.71	3.62
Conventional natural gas <sup>(3)</sup>	503,497	14.19	2.37
<b>Total Proved plus Probable plus Possible</b>	<b>885,165</b>	<b>16.68</b>	<b>2.78</b>

Notes:

- (1) The Company's costs not related to a specific product type have been allocated proportionately to product types. Unit values are calculated using a 10 percent discount rate divided by the product type net reserves for each product type.  
(2) Includes solution gas and other associated by-products.  
(3) Includes by-products but excludes solution gas.

## Pricing Assumptions

Forecast pricing and costs are future prices and costs that are generally acceptable, in the opinion of GLJ, as being a reasonable outlook of the future as of the evaluation effective date. To the extent that there are fixed or presently determinable future prices or costs to which the Company is legally bound by a contractual or other obligation to supply a physical product, those prices or costs were incorporated into the forecast prices and costs. The forecast cost assumptions consider inflation with respect to future operating and development costs.

## Forecast Pricing Used in Estimates

The Reserves Report was prepared using forecast prices and costs as of December 31, 2025. The price forecast reflects the average of the January 1, 2026 forecast price decks published by GLJ Ltd., McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd.

The following table sets forth the benchmark reference prices and inflation rates reflected in the Reserves Data.

Forecast Year	Brent Crude Oil <sup>(1)</sup> (\$/bbl)	Henry Hub Natural Gas <sup>(1)</sup> (\$/MMBtu)	NBP Natural Gas <sup>(1)</sup> (\$/MMBtu)	JKM Natural Gas <sup>(1)</sup> (\$/MMBtu)	Inflation Rate <sup>(2)</sup> (% per year)
2026	63.92	3.74	10.00	9.20	-
2027	69.13	3.78	9.74	9.70	2.0
2028	74.36	3.85	9.97	10.40	2.0
2029	76.10	3.93	10.27	11.08	2.0
2030	77.62	4.01	10.47	11.30	2.0
2031	79.17	4.09	10.68	11.53	2.0
2032	80.76	4.17	10.89	11.76	2.0
2033	82.37	4.26	11.11	11.99	2.0
2034	84.01	4.34	11.34	12.23	2.0
2035	85.70	4.43	11.56	12.49	2.0
Thereafter	+2.0% / year	+2.0% / year	+2.0% / year	+2.0% / year	2.0

Notes:

- (1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer. Product sales prices will reflect these reference prices with further adjustments for specific marketing arrangements, quality differentials, heat content and transportation to point of sale.
- (2) Inflation rates for forecasting costs.

Refer to the "General Development of the Business - Realized Pricing Analysis" section of this AIF for a breakdown of Touchstone's realized pricing for the year ended December 31, 2025.

### Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the Company's total gross proved, probable and proved plus probable reserves by product type as of December 31, 2025, against such reserves as at December 31, 2024. The reconciliation is based on forecast price and cost assumptions. All of the Company's reserves are located in Trinidad.

### Reconciliation of Gross Reserves by Product Type<sup>(1)</sup>

Reserves Category and Factors	Light and Medium Crude Oil (Mbbbl)	Heavy Crude Oil <sup>(7)</sup> (Mbbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl) <sup>(2)</sup>	Total Oil Equivalent (Mboe)
<b>Total Proved</b>					
December 31, 2024 <sup>(3)</sup>	9,360	276	113,377	537	29,070
Extensions and improved recovery <sup>(4)</sup>	191	-	-	-	191
Technical revisions <sup>(5)</sup>	(8)	-	(34,909)	(180)	(6,006)
Acquisitions <sup>(6)</sup>	-	-	31,647	1,086	6,361
Dispositions <sup>(7)</sup>	-	(258)	-	-	(258)
Economic factors <sup>(8)</sup>	(12)	-	-	-	(12)
Production	(379)	(18)	(7,664)	(111)	(1,785)
<b>December 31, 2025</b>	<b>9,151</b>	<b>-</b>	<b>102,451</b>	<b>1,333</b>	<b>27,559</b>
<b>Total Probable</b>					
December 31, 2024 <sup>(3)</sup>	8,889	56	70,750	257	20,993
Extensions and improved recovery <sup>(4)</sup>	210	-	-	-	210
Technical revisions <sup>(5)</sup>	(123)	-	1,752	(13)	156
Acquisitions <sup>(6)</sup>	-	-	3,534	123	712
Dispositions <sup>(7)</sup>	-	(56)	-	-	(56)
Economic factors <sup>(8)</sup>	(15)	-	-	-	(15)
<b>December 31, 2025</b>	<b>8,960</b>	<b>-</b>	<b>76,036</b>	<b>367</b>	<b>21,999</b>

Reserves Category and Factors	Light and Medium Crude Oil (Mbbbl)	Heavy Crude Oil <sup>(7)</sup> (Mbbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl) <sup>(2)</sup>	Total Oil Equivalent (Mboe)
<b>Total Proved plus Probable</b>					
December 31, 2024 <sup>(3)</sup>	18,249	332	184,127	794	50,063
Extensions and improved recovery <sup>(4)</sup>	400	-	-	-	400
Technical revisions <sup>(5)</sup>	(132)	-	(33,157)	(193)	(5,851)
Acquisitions <sup>(6)</sup>	-	-	35,181	1,210	7,073
Dispositions <sup>(7)</sup>	-	(314)	-	-	(314)
Economic factors <sup>(8)</sup>	(27)	-	-	-	(27)
Production	(379)	(18)	(7,664)	(111)	(1,785)
<b>December 31, 2025</b>	<b>18,111</b>	<b>-</b>	<b>178,486</b>	<b>1,700</b>	<b>49,558</b>

Notes:

- (1) "Gross" reserves are the Company's total working interest share before the deduction of royalties. Refer to the "Certain Definitions" section herein.
- (2) NGLs, including field condensate.
- (3) Prior year reserve estimates per GLJ's independent reserves evaluation dated March 5, 2025, with an effective date of December 31, 2024.
- (4) Reserve amounts for Infill Drilling, Extensions and Improved Recovery are combined and reported as "Extensions and improved recovery".
- (5) Technical revisions include all changes in reserves due to well performance and previously booked wells which were drilled in the year.
- (6) Touchstone acquired its working interest in the Central Licence effective May 16, 2025. Refer to the "Description of the Business and Operations - Property Acquisitions and Dispositions" section herein.
- (7) Heavy crude oil reserves relate to the Fyzabad property. Touchstone disposed of its working interest in the Fyzabad MEEI licence and private leases effective December 1, 2025. Refer to the "Description of the Business and Operations - Property Acquisitions and Dispositions" section herein.
- (8) Economic factors are the change in reserves exclusively due to changes in pricing.

As of December 31, 2025, gross proved plus probable reserves were 49,558 Mboe, representing a slight decrease of 505 Mboe or 1 percent from the prior year.

- Light and medium crude oil: proved plus probable reserves decreased by 138 Mbbbl from 2024. This was primarily driven by 2025 annual production and negative technical revisions at Balata East. These decreases were partially offset by positive technical revisions and extensions at WD-4 and CO-1, as well as geological refinements in the Cascadura Block B oil zone.
- Heavy crude oil: proved plus probable reserves reduced by 332 Mbbbl from the prior year following the disposition of the Fyzabad property and related 2025 production.
- Conventional natural gas: proved plus probable reserves decreased by 5,641 MMcf from 2024. Significant negative technical revisions at Cascadura Block B (approximately 5,690 MMcf) and annual production were the primary drivers, though largely offset by the strategic acquisition of the Central Licence.
- NGLs: proved plus probable reserves increased by 906 Mbbbl (approximately 114 percent) from the prior year, almost entirely attributed to the acquisition of the Central block, which outweighed performance-related technical revisions at Cascadura.

## Additional Information Relating to Reserves Data

### Undeveloped Reserves

Undeveloped reserves are attributed by GLJ in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Proved and probable undeveloped reserves have been assigned in accordance with engineering and geological practices as defined under NI 51-101.

There are a number of factors that could result in delayed or cancelled development of undeveloped reserves, including but not limited to the following: (i) changing economic conditions (due to commodity

pricing, operating and capital expenditure fluctuations); (ii) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (iii) multi-zone developments (for instance, a prospective formation completion may be delayed until the initial completion formation is no longer economic); (iv) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (v) surface access issues (including those relating to weather conditions and regulatory approvals). See the "Risk Factors" section herein.

Timing of the investment and the desired pace of development will depend to a large extent on economic conditions, in particular, future commodity prices. The Company has significant development opportunities in several properties, and the pace of development is controlled to meet future capital expenditure and liquidity targets and ensure compliance with licence minimum work obligations. Refer to the "Statement of Reserves Data and Other Oil and Gas Information - Other Oil and Gas Information" section herein for further information.

The following tables disclose, by each product type, the gross proved undeveloped reserves and the gross probable undeveloped reserves that were first attributed by GLJ in each of the most recent three financial years based on forecast prices and costs. All of the Company's proved and probable undeveloped reserves are located in Trinidad and are attributable to acreage that offsets existing production as per NI 51-101 guidelines.

### Proved Undeveloped Reserves

Year	Light and Medium Crude Oil (Mbbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Total Oil Equivalent (Mboe)	
	First Attributed	Cumulative at Year end	First Attributed	Cumulative at Year end	First Attributed	Cumulative at Year end	First Attributed	Cumulative at Year end
2023	200	3,846	-	80,427	-	849	200	18,100
2024	659	4,468	54,074	96,219	268	498	9,940	21,002
2025	100	4,544	-	59,718	-	297	100	14,795

Proved undeveloped reserves have been assigned in areas where the reserves can be estimated with a high degree of certainty. In most instances, proved undeveloped reserves will be assigned on lands immediately offsetting existing producing wells within the same accumulation or pool. The Reserves Report has assigned 14,795 Mboe of gross proved undeveloped reserves with approximately \$111.0 million of associated undiscounted future development costs as at December 31, 2025. Development of the gross proved undeveloped reserves is expected to occur over the next five years with approximately 61 percent of the investment expected over the next three years.

### Probable Undeveloped Reserves

Year	Light and Medium Crude Oil (Mbbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Total Oil Equivalent (Mboe)	
	First Attributed	Cumulative at Year end	First Attributed	Cumulative at Year end	First Attributed	Cumulative at Year end	First Attributed	Cumulative at Year end
2023	60	5,842	-	111,014	-	1,060	60	25,404
2024	752	6,737	31,013	63,548	140	242	6,061	17,571
2025	40	6,767	14,314	65,702	41	226	2,467	17,943

Probable undeveloped reserves have been assigned in areas where the reserves can be estimated with less certainty. Probable reserves are less certain to be recovered than proved reserves. In most instances, probable undeveloped reserves have been assigned in an area with existing producing wells but there is some uncertainty as to whether they are directly analogous to the producing accumulation or pool. The Reserves Report has assigned 17,943 Mboe of gross probable undeveloped reserves with approximately \$87.4 million of associated undiscounted future development costs as at December 31, 2025. Development

of the gross probable undeveloped reserves is expected to occur over the next five years with approximately 39 percent of the investment expected over the next three years.

### **Significant Factors or Uncertainties Affecting Reserves Data**

The Company's reserves and production are located in Trinidad and are therefore subject to the fiscal and regulatory regime applicable to petroleum operations in that jurisdiction, including royalties, supplemental petroleum tax, petroleum profits tax and other applicable petroleum taxes.

#### ***Commodity Pricing and Marketing Volatility***

Estimates of economically recoverable reserves and the associated future net revenues are based on a number of variable factors and assumptions. The primary uncertainty affecting the Company's reserves is future realized commodity pricing.

Touchstone's realized prices for crude oil and NGLs 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. Crude oil produced from the Company's legacy assets and Cascadura NGLs are sold to Heritage at prices linked to the Brent benchmark. Central block NGL volumes separated at the Company's natural gas processing facility are sold to Heritage at prices based on 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.

Natural gas production from the Ortoire block is sold under a fixed-price contract with NGC through October 10, 2027. Thereafter, the fixed price is subject to redetermination between the parties every five years. There is no assurance that future negotiated prices will be consistent with current pricing. For periods beyond contracted terms GLJ applied forecast pricing assumptions in the preparation of the Reserves Report, including a conventional natural gas price based on 95 percent of Henry Hub pricing.

Natural gas production from the Central block is marketed either domestically to NGC or internationally to Atlantic LNG, contingent upon Atlantic LNG facility availability. Atlantic LNG pricing is variable, linked to a basket of global energy benchmarks including Brent, Henry Hub, NBP and JKM. This exposure allows the Company to capture international market premiums, though it introduces greater price volatility compared to the Ortoire domestic contract.

A decline in future commodity prices relative to those forecasted in the Reserves Data could negatively impact the economics and timing of the development of undeveloped reserves, unless offset by reductions in operating or future development costs.

#### ***Operational and Licence Risks***

GLJ estimated reserve volumes and future net revenues based on historical well performance, production forecasts and economic limits for individual wells. In certain cases, the forecast economic life of wells extends beyond the current terms of applicable licences or marketing agreements. While there is precedent for renewals and extensions of such licences and marketing arrangements in Trinidad, there can be no assurance that such agreements will be renewed or extended on terms consistent with current assumptions or at all. Failure to obtain such renewals could result in a reduction in the economic life of the associated reserves.

#### ***General***

Except as otherwise disclosed in this AIF, the Company is not aware of any material extraordinary risks or uncertainties affecting the evaluated properties beyond those normally associated with international oil and natural gas operations.

The estimation of reserves is inherently complex and involves judgments based on geological, geophysical, engineering and economic data. Reserve estimates may change as additional data becomes available or as economic conditions change.

The reserves disclosed in this AIF are based on current forecasts of production, prices and costs, as well as other factors and assumptions including:

- historical production and analogous performance;
- initial production rates and decline profiles;
- ultimate recovery estimates;
- success of future development activities;
- marketability of production; and
- government regulations and fiscal terms.

Reserve estimation is an inferential process and involves subjective judgments. Accordingly, actual reserves recovered may differ materially from estimated reserves. Reserve estimates are reviewed and revised as warranted by new information. Revisions may result from changes in commodity prices, reservoir performance, geological interpretation, production performance or economic conditions and may be either positive or negative. The reserves disclosed in this AIF are estimates only. There is no assurance that the estimated reserves will be recovered.

At the date of this AIF, the Company does not anticipate any unusually high development or operating costs, the need to build a major pipeline or other major facility before production of reserves can begin, or material contractual obligations that would require the sale of a significant portion of production at prices materially below forecast prices. The Company does not anticipate any significant economic factors or significant uncertainties will affect any particular components of the Reserves Data. However, reserves and future net revenues may be affected by fluctuations in commodity prices, capital expenditures, operating costs, fiscal regimes, well performance and subsequent drilling results, all of which are beyond the Company's control. Refer to the "*Risk Factors*" section herein.

### ***Abandonment and Reclamation Costs***

In connection with the Company's operations, Touchstone will incur abandonment and reclamation costs for surface leases, wells, facilities and pipelines. The Company budgets for and recognizes as a liability the estimated present value of the future decommissioning liabilities associated with its exploration and development assets. Overall abandonment and reclamation costs include all costs associated with the process of restoring a property that has been disturbed by oil and natural gas activities to the standard imposed by the applicable government or regulatory authorities. Touchstone continually reviews suspended or standing wells for reactivation, recompletion or sale, and facilities will be decommissioned when all the wells producing to them have been abandoned. There are no unusually significant abandonment and reclamation costs associated with the Company's properties without attributed reserves.

As at December 31, 2025, Touchstone was responsible for decommissioning 384.45 net wells and 4.85 net facilities in Trinidad. The Company expects the funds required for abandonment and reclamation costs will be derived from a combination of its various joint abandonment funds and internally generated cash from operating activities. For further information, refer to the "*Description of the Business and Operations - Decommissioning Liabilities and Abandonment Funds*" section of this AIF.

The following table sets forth the abandonment and reclamation costs deducted in the estimation of the Company's future net revenue using forecast prices and costs as included in the Reserves Report including costs for wells and facilities without reserves.

Year (\$000's)	Proved Reserves	Proved plus Probable Reserves	Proved plus Probable plus Possible Reserves
2030	27	27	27
Thereafter	10,711	13,573	15,386
<b>Total undiscounted</b>	<b>10,738</b>	<b>13,600</b>	<b>15,413</b>
<b>Total discounted at 10% per year</b>	<b>2,105</b>	<b>1,842</b>	<b>1,488</b>

In the Reserves Report, abandonment and reclamation costs have been allocated to the year in which the related wells and facilities are forecast to reach the end of their economic life.

### **Future Development Costs**

The following table provides information regarding the development costs deducted in the estimation of the Company's future net revenue using forecast prices and costs as included in the Reserves Report.

Year (\$000's)	Proved Reserves	Proved plus Probable Reserves	Proved plus Probable plus Possible Reserves
2026	10,558	14,868	14,868
2027	26,093	33,436	33,436
2028	34,195	56,904	56,904
2029	32,461	69,673	69,673
2030	11,372	27,205	38,822
Thereafter	-	-	-
<b>Total undiscounted</b>	<b>114,680</b>	<b>202,087</b>	<b>213,703</b>
<b>Total discounted at 10% per year</b>	<b>90,953</b>	<b>156,708</b>	<b>164,114</b>

The Company expects that funds required for future development costs will be derived from a combination of internally generated cash from operating activities and the issuance of new debt or equity where and when we believe appropriate to fund future development costs set out in the Reserves Report.

Estimates of reserves and future net revenue therefrom in the Reserves Report have been made assuming the development of each property, in respect of which the estimate is made, will occur, and without the regard to the likely availability of funding required for the development. There can be no guarantee that funds will be available or that the Company's Board will allocate funding to develop all of the reserves attributable in the Reserves Report. Failure to develop those reserves could have a negative impact on our future cash from operating activities and financial position. Further, Touchstone may choose to delay development depending upon a number of circumstances including the existence of higher priority expenditures, available cash on hand, and borrowing capacity.

Interest expenses and other costs of external funding are not included in the reserves and future net revenues and would reduce future net revenue to some degree depending upon the funding sources utilized. The Company does not anticipate that interest expense or other funding costs would make further development of any of our properties uneconomic.

## Other Oil and Gas Information

Unless otherwise stated, the following information is presented as of December 31, 2025. The Company confirms that there have not been any material changes to such information since such date.

### Principal Properties

The Company's portfolio is concentrated onshore in Trinidad, consisting of a mix of operating agreements (LOAs and an EPSC) with Heritage, state exploration and production licences with the MEEI, and minimal private production agreements with individual landholders as set forth below.

Property	Working Interest (%)	Licence Type	Expiry
CO-1	100	LOA	December 31, 2030 <sup>(1)</sup>
WD-4	100	LOA	December 31, 2030 <sup>(1)</sup>
WD-8	100	LOA	December 31, 2030 <sup>(1)</sup>
Balata East	100	EPSC	November 30, 2030 <sup>(1)</sup>
Barrackpore	100	Private	Various <sup>(2)</sup>
Central	65	State	September 17, 2031 <sup>(3)</sup>
Ortoire – Coho area	80	State	October 31, 2039 <sup>(3)</sup>
Ortoire – Cascadura area	80	State	October 31, 2039 <sup>(3)</sup>
Charuma	80	State	June 30, 2030
Cipero	80	State	June 30, 2030
Ortoire – exploration area	80	State	July 31, 2026
Rio Claro	80	State	November 4, 2030

Notes:

- (1) These agreements may be extended for an additional five-year period pending mutual agreement on work commitments for the extension period.
- (2) Includes five active private leases with expiry dates ranging from September 30, 2028 through December 31, 2051.
- (3) Contains options to extend for subsequent five-year renewal periods under terms to be agreed.

Refer to the "*Description of the Business and Operations - Trinidad Operations*" section herein for further disclosure regarding the Company's oil and natural gas properties.

### Oil and Natural Gas Wells<sup>(1)</sup>

The following table sets forth the number and status of wells in which the Company held a working interest as of December 31, 2025, all of which are located in Trinidad.

Property	Producing Wells <sup>(2)</sup>		Non-Producing Wells		Total Wells	
	Gross <sup>(3)</sup>	Net <sup>(4)</sup>	Gross <sup>(3)</sup>	Net <sup>(4)</sup>	Gross <sup>(3)</sup>	Net <sup>(4)</sup>
CO-1	72	72	182	80	254	152
WD-4	29	29	50	31	79	60
WD-8	68	68	59	44	127	112
Balata East	22	22	23	11	45	33
Barrackpore	8	8	4	4	12	12
Central	4	2.6	1	0.65	5	3.25
Ortoire	6	4.8	3	2.4	9	7.2
Other	-	-	5	5	5	5
<b>Total</b>	<b>209</b>	<b>206.4</b>	<b>327</b>	<b>178.05</b>	<b>536</b>	<b>384.45</b>

Notes:

- (1) All of the Company's wells are crude oil wells, with the exception of five gross (4.0 net) Ortoire wells and four gross (2.6 net) Central wells which are natural gas wells. The CR-3 well was drilled in the Central block in 2025 and was not completed for production as at December 31, 2025. Information above includes wells located on properties with no attributed reserves.
- (2) Wells that produced during the 2025 year.
- (3) "Gross" means the total number of wells in which the Company has an interest. Refer to the "*Certain Definitions*" section herein.
- (4) "Net" means the number of wells obtained by aggregating the Company's interest in each of its gross wells. Refer to the "*Certain Definitions*" section herein.

Touchstone operates five crude oil sales batteries in Trinidad, with each sales battery directly tied into Heritage crude oil sales pipelines. The Company also operates the Coho, Cascadura and Central natural gas facilities, all of which are tied directly or indirectly into sales pipelines.

### Properties with No Attributed Reserves

The following summarizes the Company's Trinidad properties to which no reserves have been attributed by the Company's independent qualified reserves evaluator as at December 31, 2025.

Property	Working Interest (%)	Licence type	Licence Expiry	Gross Acres <sup>(1)</sup>	Net Acres <sup>(2)</sup>
Charuma	80	State	June 30, 2030	72,784	58,227
Cipero	80	State	June 30, 2030	29,924	23,939
Ortoire <sup>(3)</sup>	80	State	July 31, 2026	36,950	29,560
Rio Claro	80	State	November 4, 2030	31,983	25,586
				<b>171,641</b>	<b>137,312</b>

Notes:

- (1) "Gross" acres means the total area of properties in which the Company has an interest. Refer to the "*Certain Definitions*" section herein.
- (2) "Net" acres means the total area of properties in which the Company has an interest multiplied by the Company's working interest in each property. Refer to the "*Certain Definitions*" section herein.
- (3) Excludes the Coho and Cascadura areas of the Ortoire Licence to which reserves have been attributed as at December 31, 2025.

Touchstone has future geotechnical, drilling and lease payment obligations associated with its Charuma, Cipero, Ortoire and Rio Claro licences as disclosed in the "*Description of the Business and Operations - Summary of Commitments*" section herein.

The exploration area of the Ortoire Licence, which encompass 29,560 net acres and represent areas not designated as commercial development areas by the MEEI, are scheduled to expire on July 31, 2026. The Coho and Cascadura areas within the Ortoire Licence have been designated as commercial areas by the MEEI and are licenced through October 31, 2039. The Company and its partner, Heritage, are currently seeking an extension of the exploration portion of the Ortoire Licence; however, there is no assurance that such extension will be granted.

Aside from the Ortoire Licence, the Company is not aware of any material contractual expiries in its land holdings in 2026.

### Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

Touchstone has long-term capital allocated to the exploration of properties with no attributed reserves as part of its exploration program. See the "*Description of the Business and Operations - Summary of Commitments*" section of this AIF for commitment requirements related to licences in the development and exploration stage. There are not expected to be any significant factors or uncertainties that would affect such properties at this time. The abandonment and reclamation costs associated with these properties are not expected to be material and will be included in the capital cost once incurred if temporarily plugged or abandoned upon further evaluation or non-economical results.

The presence of economic quantities of hydrocarbons on lands with no attributed reserves is uncertain until the lands are drilled and tested. Beyond the need to drill and test exploration areas, additional factors may influence the Company's ability to develop these lands, including escalation of operating expenses and development costs, the potential requirement to expand existing infrastructure, the requirement for future regulatory approvals and a material change in commodity prices. Development of Touchstone's properties with no attributed reserves are subject to current industry conditions and uncertainties as indicated under the "*Risk Factors*" section herein.

## Forward Contracts

### Commodity Price Risk

As detailed in the "Significant Factors or Uncertainties Affecting Reserves Data - Commodity Pricing and Market Volatility" section, the Company's operations are inherently exposed to commodity price volatility. Significant fluctuations in P&NG prices directly impact the Company's operating cash flows, financial position, and the economic viability of its reserves.

As at and during the year ended December 31, 2025, Touchstone maintained no commodity risk management contracts. The Company will continue to monitor forward market curves and may enter into derivative contracts in the future to mitigate revenue volatility and protect the funding of its exploration and development capital programs. Touchstone also maintains a flexible capital program, allowing for strategic adjustments in response to shifting price environments.

### Gas Sales Commitments

From October 2025 through May 2027, the Company is subject to minimum delivery commitments under a natural gas sales contract for volumes produced from the Central Licence. If annual delivery volumes fall below the contractual minimum, the Company is required to make deficiency payments calculated as a contractual margin multiplied by the undelivered volumes. Such deficiency volumes may be offset by allocations from other parties supplying Atlantic LNG. Although certain minimum delivery commitments were unfulfilled during the prior contract year (October 2024 to September 2025), the Company was not required to make any deficiency payments for that period.

In the Reserves Report, forecast net undiscounted operating expenses relating to potential deficiency payments were approximately \$306,000 in 2026 and \$782,000 in 2027 under the PDP case. On a 1P, 2P and 3P basis, forecast deficiency payments were \$nil in 2026 and approximately \$304,000 in 2027.

For additional information regarding financial risks and cyclical nature, refer to the "General Development of the Business - Cyclical Nature of the Business" section herein and to Note 22 "Financial Instruments and Market Risk Management" of the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

### Tax Horizon

The Reserves Report forecasts cash taxes in Trinidad to be incurred in 2026, and the Company incurred cash taxes in prior years. For further information, refer to the "Industry Conditions - Income Taxes" section herein and to Note 21 "Income Taxes" of the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

### Capital Expenditures

The following table summarizes capital and acquisition expenditures related to the Company's activities for the year ended December 31, 2025.

(\$000's)	Amount
Development expenditures <sup>(1)</sup>	26,480
Exploration and evaluation asset expenditures <sup>(2)</sup>	1,848
Acquisition expenditures <sup>(3)</sup>	28,400
Corporate asset capital expenditures <sup>(4)</sup>	49
<b>Total capital expenditures<sup>(5)</sup></b>	<b>56,777</b>

Notes:

- (1) Represents cash additions to PP&E including direct and attributable capitalized overhead charges.
- (2) Represents cash additions that have been determined by Management to be in the exploration and evaluation stage.
- (3) Represents the preliminary cash acquisition expenditure for the 65 percent working interest in the Central Licence.
- (4) Represents cash additions for corporate infrastructure.
- (5) Specified financial measure. Refer to the "Notes to Reader - Advisories - Non-GAAP Financial Measures" section herein.

## Exploration and Development Activities

Touchstone drilled three gross (2.25 net) development wells in Trinidad during the year ended December 31, 2025. Two gross wells (1.6 net) were drilled on the Ortoire block; one gross well (0.8 net) was a producing natural gas well and the remaining gross well (0.8 net) encountered mechanical difficulties and is not expected to be completed. One gross well (0.65 net) was drilled on the Central block and was not completed for production as of December 31, 2025.

The Company's near-term development plans include drilling natural gas development wells on its Central property and fulfilling minimum work obligations on its crude oil development fields (refer to the "Description of the Business and Operations - Summary of Commitments" section herein for further details).

## Production Estimates

The following table sets forth the average volumes of the Company's gross production estimated in the Reserves Report for the year ended December 31, 2026 by reserves category and field, which is reflected in the estimate of future net revenues disclosed in the forecast tables contained under "Statement of Reserves Data and Other Oil and Gas Information - Disclosure of Reserves Data". The estimates of reserves for individual properties may not reflect the same confidence levels as estimates of reserves for all properties due to the effects of aggregation.

Property and Reserves Category	Light and Medium Crude Oil (bbls/d)	Conventional Natural Gas (Mcf/d)	Natural Gas Liquids (bbls/d)	Total Oil Equivalent (boe/d)
Central	-	15,813	550	3,185
Ortoire – Cascadura area	69	12,659	45	2,224
Ortoire – Coho area	-	1,208	-	202
CO-1	409	-	-	409
WD-4	481	-	-	481
WD-8	353	-	-	353
Other minor properties	98	-	-	98
<b>Total Proved</b>	<b>1,409</b>	<b>29,679</b>	<b>595</b>	<b>6,950</b>
Central	-	171	6	35
Ortoire – Cascadura area	5	2,874	9	493
Ortoire – Coho area	-	37	-	6
CO-1	138	-	-	138
WD-4	91	-	-	91
WD-8	50	-	-	50
Other minor properties	2	-	-	2
<b>Total Probable</b>	<b>285</b>	<b>3,082</b>	<b>16</b>	<b>815</b>
Central	-	15,983	556	3,220
Ortoire – Cascadura area	73	15,532	55	2,717
Ortoire – Coho area	-	1,246	-	208
CO-1	547	-	-	547
WD-4	572	-	-	572
WD-8	403	-	-	403
Other minor properties	99	-	-	99
<b>Total Proved Plus Probable</b>	<b>1,695</b>	<b>32,761</b>	<b>611</b>	<b>7,765</b>

## Production History

The following table sets forth Touchstone's average daily production volumes, product prices received, royalty expenses, operating expenses, and the resulting operating netback by product type for the periods indicated.

	2025 quarter ended				Year ended
	March 31	June 30	Sept. 30	Dec. 31	Dec. 31, 2025
<b>Average daily production volumes</b>					
Light and medium crude oil (bbls/d)	1,101	1,086	1,002	968	1,039
Heavy crude oil <sup>(1)</sup> (bbls/d)	61	56	49	28	48
Condensate (bbls/d)	39	87	147	127	100
Other NGLs (bbls/d)	-	123	289	286	176
Conventional natural gas (Mcf/d)	18,698	18,282	21,926	20,805	19,939
<b>Average daily production (boe/d)</b>	<b>4,317</b>	<b>4,399</b>	<b>5,141</b>	<b>4,877</b>	<b>4,686</b>
<b>Average realized prices<sup>(2)</sup></b>					
Light and medium crude oil (\$/bbl)	63.88	58.49	60.33	54.53	59.40
Heavy crude oil <sup>(1)</sup> (\$/bbl)	63.57	59.07	60.34	55.12	60.73
Condensate (\$/bbl)	63.25	49.39	47.55	43.14	48.22
Other NGLs <sup>(3)</sup> (\$/bbl)	-	25.46	26.21	24.55	25.34
Conventional natural gas <sup>(3)</sup> (\$/Mcf)	2.50	2.55	2.74	2.54	2.59
<b>Realized commodity price (\$/boe)</b>	<b>28.60</b>	<b>27.50</b>	<b>26.84</b>	<b>24.53</b>	<b>26.79</b>
<b>Royalty expense<sup>(2)</sup></b>					
Light and medium crude oil (\$/bbl)	21.77	20.04	21.09	20.20	20.78
Heavy crude oil <sup>(1)</sup> (\$/bbl)	8.74	6.87	6.65	8.54	7.71
Condensate (\$/bbl)	15.10	6.82	6.51	7.62	7.78
Other NGLs (\$/bbl)	-	3.22	3.23	3.08	5.56
Conventional natural gas (\$/Mcf)	0.33	0.33	0.34	0.64	0.41
<b>Total royalty expense (\$/boe)</b>	<b>7.25</b>	<b>6.63</b>	<b>6.00</b>	<b>7.15</b>	<b>6.73</b>
<b>Operating expense<sup>(2)(4)</sup></b>					
Light and medium crude oil (\$/bbl)	12.44	16.93	15.89	16.94	15.50
Heavy crude oil <sup>(1)</sup> (\$/bbl)	45.90	50.04	67.21	93.56	59.99
Condensate (\$/bbl)	21.94	26.15	15.23	(0.09)	13.40
Other NGLs (\$/bbl)	-	-	-	-	-
Conventional natural gas (\$/Mcf)	0.35	0.71	1.01	0.96	0.77
<b>Total operating expense (\$/boe)</b>	<b>5.52</b>	<b>8.28</b>	<b>8.46</b>	<b>7.97</b>	<b>7.62</b>
<b>Operating netback<sup>(2)(4)</sup></b>					
Light and medium crude oil (\$/bbl)	29.67	21.52	23.34	17.38	23.12
Heavy crude oil <sup>(1)</sup> (\$/bbl)	8.93	2.16	(13.53)	(46.97)	(6.96)
Condensate (\$/bbl)	26.21	16.42	25.81	35.60	27.04
Other NGLs (\$/bbl)	-	22.25	22.98	21.47	19.78
Conventional natural gas (\$/Mcf)	1.82	1.52	1.39	0.94	1.40
<b>Operating netback (\$/boe)</b>	<b>15.83</b>	<b>12.59</b>	<b>12.38</b>	<b>9.41</b>	<b>12.44</b>

Notes:

- (1) The Company's production volumes from the Fyzabad property were classified as heavy crude oil. Touchstone disposed of its working interest in the Fyzabad MEEI licence and private leases effective December 1, 2025. Refer to the "Description of the Business and Operations - Property Acquisitions and Dispositions" section herein.
- (2) Supplementary and specified financial measures. Refer to the "Notes to Reader - Advisories - Non-GAAP Financial Measures" section herein.
- (3) The Company's sales to Atlantic LNG are recorded and disclosed net of processing and marketing charges, including transportation, liquefaction, and related fees in accordance with IFRS.
- (4) The Company's operating expenses by product type are internal allocations prepared by Management and require the use of assumptions and judgement.

The following table summarizes the Company's average daily production volumes during the year ended December 31, 2025 for each product type and property.

Property	Light and Medium Crude Oil (bbls/d)	Heavy Crude Oil (bbls/d)	Conventional Natural Gas (Mcf/d)	Natural Gas Liquids (bbls/d)	Total Oil Equivalent (boe/d)
CO-1	397	-	-	-	397
WD-4	398	-	-	-	398
WD-8	124	-	-	-	124
Balata East	82	-	-	-	82
Barrackpore	15	-	-	-	15
Fyzabad <sup>(1)</sup>	-	48	-	-	48
Central <sup>(2)</sup>	-	-	6,418	250	1,320
Ortoire – Coho area	-	-	1,529	-	255
Ortoire – Cascadura area	23	-	11,992	26	2,047
<b>Average daily production volumes</b>	<b>1,039</b>	<b>48</b>	<b>19,939</b>	<b>276</b>	<b>4,686</b>

Notes:

- (1) Touchstone disposed of its 100 percent working interest in the Fyzabad MEEI licence and private leases effective December 1, 2025. Refer to the "Description of the Business and Operations - Property Acquisitions and Dispositions" section herein.
- (2) The Company acquired a 65 percent working interest in the Central Licence effective May 16, 2025. Refer to the "General Development of the Business - Strategic Acquisition of the Central Block" section herein.

## DIVIDEND POLICY

Touchstone has never declared or paid any dividends on its outstanding Common Shares. We may declare dividends in the future if we have sufficient capital to finance further expansion of our business and operations. Any decision to pay dividends on any class of shares will be made by the Board on the basis of net earnings, financial requirements, the satisfaction of the liquidity and solvency tests imposed by the ABCA for the declaration thereof, and other conditions existing at such future time.

## DESCRIPTION OF CAPITAL STRUCTURE

### Common Shares

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value, of which 324,733,609 Common Shares are issued and outstanding as fully paid and non-assessable. The Common Shares are listed and posted for trading on the TSX and AIM under the trading symbol "TXP". The Company does not have any other classes of shares authorized or outstanding.

Holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per Common Share at meetings of shareholders and, upon liquidation, to receive such assets of the Company as are distributable to holders of Common Shares. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights. Each Common Share outstanding also carries certain rights issued pursuant to the Company's Shareholder Rights Plan. See the "Shareholder Rights Plan" section below for further details.

The following table summarizes the Company's issued share capital and securities convertible into or exercisable for Common Shares as at the dates indicated.

	March 30, 2026	December 31, 2025	December 31, 2024
Common shares outstanding	324,733,609	324,733,609	236,460,661
Stock options outstanding	7,319,000	7,319,000	11,731,000
Restricted share units outstanding <sup>(1)</sup>	3,845,109	3,845,109	1,447,780
Performance share units outstanding <sup>(1)(2)</sup>	4,083,309	4,083,309	1,397,780
Common Shares issuable upon conversion of Debenture <sup>(3)</sup>	57,305,276	57,305,276	-
Warrants outstanding	6,250,000	6,250,000	-
<b>Total potential dilutive common shares</b>	<b>403,536,303</b>	<b>403,536,303</b>	251,037,221

Notes:

- (1) May be settled in cash, the issuance of Common Shares, or a combination thereof at the Board's discretion. The share awards are currently accounted for as cash-settled liabilities.
- (2) Represents the notional number of Common Shares prior to the application of performance multipliers.
- (3) Represents the maximum number of Common Shares issuable upon conversion of the Debenture prior to its August 8, 2028, maturity date.

### **Share-based Compensation Plans**

The Company maintains share-based compensation plans to align the interests of its employees, directors, and officers with those of its shareholders. These plans are designed to provide long-term incentives and support the retention of key personnel. The aggregate number of Common Shares issuable pursuant to all security-based compensation arrangements of the Company is limited to 10 percent of the issued and outstanding Common Shares on a rolling basis.

#### *Omnibus Incentive Compensation Plan*

Adopted in June 2023, the Omnibus Plan provides for the grant of the following awards:

- Stock options: Entitle the holder to purchase one Common Share at a specified exercise price. Options typically vest over three years and expire after five years. Since the adoption of the Omnibus Plan, the Company has prioritized share units over stock option grants.
- Restricted share units ("**RSUs**"): Notional units that vest in equal installments over three years.
- Performance share units ("**PSUs**"): Notional units that cliff vest after three years, subject to a performance multiplier (0x to 1.75x) based on predefined corporate performance targets set by the Board.

Each RSU and PSU award may, at the Board's discretion, be settled in Common Shares, cash, or a combination thereof.

#### *Legacy Stock Option Plan*

Prior to June 2023, the Company granted stock options under a Stock Option Plan (the "**Legacy Plan**"). While no further grants will be made under the Legacy Plan, previously granted options remain outstanding until they are exercised, forfeited, or expire.

#### *Deferred Share Unit ("**DSU**") Plan*

The Company maintains a DSU Plan for non-employee directors. DSUs vest immediately upon grant but are redeemable only after the director ceases to be a member of the Board. DSUs are settled in cash based on the market price of the Common Shares at the time of redemption and therefore do not result in the issuance of Common Shares.

## Outstanding Equity Incentives

The following table summarizes the Company's outstanding equity-linked instruments as of December 31, 2025.

Award Type	Number of Awards Outstanding	Weighted Average Exercise Price (C\$)	Vesting Status
Stock options (Legacy Plan)	4,569,000	1.56	4,569,000 exercisable
Stock options (Omnibus Plan)	2,750,000	1.15	1,833,338 exercisable
Restricted share units	3,845,109	n/a	Vesting 2026 – 2028
Performance share units <sup>(1)</sup>	4,083,309	n/a	Cliff vesting 2027 – 2028
Deferred share units	2,453,756	n/a	Vested; redeemable on retirement
<b>Total</b>	<b>17,701,174</b>		

Note:

(1) Represents the notional number of Common Shares prior to the application of performance multipliers.

As of December 31, 2025, the maximum number of Common Shares issuable under all outstanding share-based compensation awards (assuming a 1.0x multiplier for PSUs) represented approximately 4.7 percent of the Company's issued and outstanding Common Shares, well within the 10 percent rolling reserve limit established by the Company's incentive plans.

Further information regarding the Company's Shareholders' capital and share-based compensation is included in Note 16 "Shareholders' Capital" and Note 20 "Share-Based Compensation Plans" of the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

## Shareholder Rights Plan

The Company's Amended Shareholder Rights Plan Agreement (the "**Rights Plan**") was most recently confirmed by shareholders at the Company's 2024 annual meeting of shareholders.

The Rights Plan generally provides that, following the acquisition by any person or entity of 20 percent or more of the issued and outstanding Common Shares (except pursuant to certain permitted or excepted transactions) and upon the occurrence of certain other events, each holder of Common Shares, other than such acquiring person or entity, shall be entitled to acquire additional Common Shares at a discounted price. The Rights Plan is similar to other shareholder rights plans adopted in the energy sector. A copy of the Rights Plan is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)).

## Bank Debt

The Company's Trinidadian operations are supported by a senior secured syndicated Loan Agreement with Republic Bank Limited acting as initial lender, arranger, and administrative agent.

On May 12, 2025, the Company entered into a Fourth Amended and Restated Loan Agreement, establishing a new \$30 million six-year non-revolving term loan facility (Term loan facility 3) and a two-year extension of the maturity date of the existing \$10 million revolving loan facility. The proceeds of the new term loan facility were used to finance the Acquisition and satisfy obligations under the amended lending arrangements.

As of December 31, 2025, the Company had an aggregate principal balance of \$57.75 million outstanding, structured across four facilities.

Facility	Term Loan Facility 1	Term Loan Facility 2	Term Loan Facility 3	Revolving Loan
<b>Amount</b>	\$30,000,000	\$10,000,000	\$30,000,000	\$10,000,000
<b>Inception date</b>	June 15, 2020	May 1, 2024	May 12, 2025	June 1, 2023
<b>Maturity date</b>	June 15, 2027	April 30, 2029	May 12, 2031	May 12, 2027 – the parties have the option to extend by additional two-year periods
<b>Interest rate</b>	7.85% per annum	6.08% through April 30, 2026 – reset annually	8.21% through May 11, 2026 – reset annually	6.09% through May 31, 2026 – reset annually
<b>Interest payments</b>	Payable quarterly in arrears	Payable monthly in arrears	Payable quarterly in arrears	Payable monthly in arrears
<b>Principal payments</b>	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% 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% 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
<b>Dec. 31, 2025 principal balance</b>	\$9,000,000	\$8,750,000	\$30,000,000	\$10,000,000

As of December 31, 2025, there was no remaining available credit capacity under the revolving facility.

The Loan Agreement is secured by a first-ranking pledge of equity interests and fixed and floating security interests over all present and after-acquired assets of Touchstone Trinidad and POGL. The Loan Agreement includes customary representations, warranties, affirmative and negative covenants, and events of default. The Company is required to maintain specific financial covenants, evaluated annually on a consolidated basis. As of December 31, 2025, the Company's status was as follows:

- *Net Senior Funded Debt to Trailing Annual EBIDA*: 4.88 (Limit: 3.00x). In October 2025, the Company obtained a formal waiver from the lender for this covenant for the year ended December 31, 2025.
- *Net Senior Funded Debt to Book Value of Equity*: 0.41 (Limit: 0.70x).
- *Debt Service Coverage*: 0.69 (Minimum: 1.50x). Pursuant to the Loan Agreement, this covenant was not required to be tested for the year ended December 31, 2025.

Due to the specified waiver and testing exclusions, the Company was in compliance with all applicable financial covenants as at December 31, 2025.

As disclosed in the audited financial statements, the Company projects a breach of its net senior funded debt to trailing annual EBIDA and debt service coverage covenants as of December 31, 2026. Such a breach could result in the bank debt balance becoming due and payable at that time. The Company is currently engaged in discussions with its lender to restructure specific terms of the Loan Agreement and address the projected breaches.

The Company's ability to continue as a going concern is dependent upon generating sufficient cash flows from operations, obtaining additional financing through debt or equity, or restructuring existing debt obligations and financial covenants. Management is actively evaluating alternatives to meet the remaining

capital requirements, including potential additional debt or equity financing and adjustments to its operational and development plans. See the "Risk Factors" section in this AIF for specific risks regarding the Company's Loan Agreement and recapitalization plan. Management continues to monitor compliance through rigorous forecasting and maintains the flexibility to adjust capital expenditure programs to preserve liquidity and covenant standing.

Further information regarding the Company's bank debt is included in Note 13 "Bank Debt" of the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)). Copies of the Loan Agreement and amendments may be accessed on the Company's profile on SEDAR+.

### Convertible Debenture

On August 8, 2025, the Company issued a three-year Debenture to a private investor for gross proceeds of \$12.5 million. The issuance of the Debenture provided the Company with \$11.71 million in net proceeds (after a 5 percent placement fee and related issuance costs) to support capital expenditures and general corporate purposes. The Debenture is not listed on any stock exchange and remains subject to customary transfer restrictions. Key terms of the Debenture are summarized below:

- Interest: The Debenture bears interest at a rate of 5 percent per annum, payable semi-annually on June 30 and December 31. Interest may be settled in cash or, subject to TSX approval and at the holder's election, through the issuance of Common Shares based on the prevailing market price and exchange rate at the time of payment.
- Conversion rights: The holder has the right, at any time prior to maturity, to convert the outstanding principal amount into Common Shares at a conversion price of approximately US\$0.22 per share (the US\$ equivalent of C\$0.30 per share based on the exchange rate at the time of issuance).
- Security: The Debenture is secured by a first-ranking security interest over certain assets of Touchstone Exploration Inc. and a pledge of the shares of Touchstone Exploration (Barbados) Ltd.
- Ranking: The Debenture ranks senior to all existing and future unsecured indebtedness of Touchstone Exploration Inc.

In connection with the issuance of the Debenture, the Company issued 6,250,000 detachable common share purchase warrants to the holder. Each warrant entitles the holder to purchase one Common Share at an exercise price of C\$0.40 per share at any time until August 8, 2027.

The following table illustrates the potential dilutive impact of the Debenture based on the Company's outstanding Common Shares as at the date of this AIF.

Instrument	Principal / Units	Conversion / Exercise Price	Potential Common Shares Issuable	As a % of Outstanding Common Shares
Debenture	\$12,500,000	~US\$0.22 (C\$0.30)	57,305,276	17.65%
Warrants	6,250,000	C\$0.40	6,250,000	1.92%
<b>Total</b>			<b>63,555,276</b>	<b>19.57%</b>

As of the date of this AIF, the Company has not received any conversion notices from the holder of the Debenture, and the initial December 31, 2025 interest payment was settled in cash.

Further information regarding the Debenture is included in Note 14 "Convertible Debenture" of the audited financial statements, which is available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)). A copy of the Debenture is available on the Company's profile on SEDAR+.

## Guarantees

In accordance with the Loan Agreement, the Company maintains cash reserves in restricted accounts with its lender for the duration of the term loan facilities, amounting to \$3.6 million as at December 31, 2025.

Touchstone Trinidad has provided approximately \$0.5 million in performance bonds to Heritage to support its work commitments under its operating agreements. The majority of the performance bonds expire on December 31, 2030, and are guaranteed by Republic Bank Limited acting as surety.

Touchstone Exploration Inc. has provided the MEEI with the following parental guarantees to support exploration work commitments:

Licence	Amount (\$000's)
Cipero	3,805
Charuma	425
Ortoire	7,737
Rio Claro	3,435
<b>Total parental company guarantees</b>	<b>15,402</b>

The parental company guarantees may be reduced from time to time to reflect any work performed on the various fields and expire when such work obligations have been fulfilled.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Company's Common Shares are listed and posted for trading on the TSX and on AIM under the symbol "TXP". The Common Shares are the only class of securities of the Company listed for trading on any stock exchange. The following table sets forth the reported price range and aggregate trading volumes of the Common Shares traded or quoted on the TSX and AIM (as reported by each exchange) for the periods and in the currencies indicated.

Period	TSX			AIM		
	Price Range (C\$ per Common Share)		Volume	Price Range (£ per Common Share)		Volume
	High	Low		High	Low	
<b>2025</b>						
January	0.52	0.43	1,361,917	0.28	0.24	9,721,031
February	0.45	0.39	1,364,519	0.26	0.22	6,028,239
March	0.45	0.38	2,101,666	0.23	0.21	12,814,284
April	0.42	0.33	2,017,479	0.22	0.20	9,854,784
May	0.43	0.34	1,505,663	0.23	0.18	21,281,697
June	0.40	0.26	1,863,190	0.22	0.14	15,841,893
July	0.29	0.23	3,219,139	0.15	0.12	24,566,682
August	0.32	0.23	2,046,278	0.16	0.13	12,567,047
September	0.29	0.24	1,879,230	0.15	0.13	10,730,946
October	0.25	0.21	6,562,789	0.13	0.11	15,795,874
November	0.23	0.11	17,163,065	0.12	0.06	54,398,176
December	0.16	0.13	7,271,628	0.08	0.07	28,795,571
<b>2026</b>						
January	0.23	0.14	7,721,785	0.11	0.07	47,026,056
February	0.18	0.16	4,008,465	0.09	0.08	14,469,952
March (1 to 27)	0.24	0.17	7,661,044	0.12	0.09	20,025,939

## Prior Sales

Date of Issuance	Type of Security	Principal Amount / Number of Securities	Price per Security
August 8, 2025	Convertible Debenture	US\$12,500,000 principal amount	100% of principal amount
August 8, 2025	Detachable warrants	6,250,000	\$nil <sup>(1)</sup>

Note:

(1) Warrants were issued in connection with the Debenture for no additional cash consideration. Each warrant entitles the holder to acquire one Common Share at an exercise price of C\$0.40 per share until August 8, 2027.

During the year ended December 31, 2025, the Company issued a total of 6,961,113 shares awards pursuant to the Omnibus Plan. On the payment date of such awards, the Board has the sole discretion as to whether the awards are paid in cash, Common Shares from treasury, or a combination thereof.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As of the date of this AIF, none of the Company's securities are subject to escrow or to contractual restrictions on transfer.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

The names, places of residence, offices held, period served, and principal occupations of the Company's directors and executive officers during the preceding five years are set forth below.

Name and Place of Residence	Office Held and Period Served as Director or Officer	Principal Occupation (during the preceding 5 years)
<b>Paul Baay</b> Alberta, Canada	Director, President and Chief Executive Officer since May 13, 2014	President and Chief Executive Officer of the Company.
<b>Scott Budau</b> Alberta, Canada	Chief Financial Officer since May 13, 2014	Chief Financial Officer of the Company.
<b>Brian Hollingshead</b> Alberta, Canada	Executive Vice President, Engineering and Business Development since May 15, 2024	Executive Vice President, Engineering and Business Development of the Company. Formerly Vice President, Engineering and Business Development from February 2021 to May 2024 and Senior Exploitation Engineer from May 2018 to February 2021.
<b>Bhupendra Kansagra<sup>(1)</sup></b> Northwood, UK	Director since January 9, 2026	Finance Director of Solai Holdings Ltd. (an investment holding company).
<b>Dr. Priya Marajh<sup>(2)(3)(5)</sup></b> Port of Spain, Trinidad	Director since July 11, 2022	Interim Chief Executive Officer of the Energy Chamber of Trinidad and Tobago effective April 2026 and Vice President - Advocacy and Member Engagement since September 2018; consultant and Technical Lead at the United Nations Development Programme since July 2021; and Part-time lecturer at The University of the West Indies since September 2008.
<b>Kenneth McKinnon</b> Alberta, Canada	Director since October 24, 2012 and Chair of the Board since April 8, 2025	Independent consultant since July 2020.
<b>Peter Nicol<sup>(2)(3)(4)(5)</sup></b> London, UK	Director since June 26, 2017	Independent consultant and former Chief Executive Officer of Locin Energy (an energy consulting firm) from March 2012.

Name and Place of Residence	Office Held and Period Served as Director or Officer	Principal Occupation (during the preceding 5 years)
<b>Beverley Smith</b> <sup>(4)(5)</sup> Ascot, UK	Director since December 22, 2020	Independent consultant since January 2017.
<b>Stanley T. Smith</b> <sup>(2)(3)(4)</sup> Alberta, Canada	Director since October 4, 2017	Independent consultant since September 2016.
<b>Thomas Valentine</b> Alberta, Canada	Director from May 2015 to July 2022 and Corporate Secretary since May 13, 2014	Senior Partner of Norton Rose Fulbright Canada LLP.

Notes:

- (1) Nominated by Purebond Limited.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation and Governance Committee.
- (4) Member of the Reserves Committee.
- (5) Member of the HSSE Committee.

A majority of the directors of the Company are independent within the meaning of applicable securities laws. Each director will hold office until the next annual general meeting of shareholders or until their successor is duly elected or appointed in accordance with the ABCA.

### Board Appointment and Share Ownership

Effective January 9, 2026, the Company appointed Mr. Bhupendra Kansagra to the Board. This appointment was made pursuant to the terms of a Subscription and Investor Rights Agreement between the Company and Purebond dated October 23, 2025. As at the date of this AIF, Purebond is the Company's largest shareholder, holding 50,000,000 Common Shares, representing approximately 15.4 percent of the issued and outstanding Common Shares.

Pursuant to the Subscription and Investor Rights Agreement, Purebond has the right to nominate one director to the Board for so long as it maintains certain minimum share ownership thresholds. Other than such nomination right, Purebond does not have any special voting rights or other rights that differ from those attached to the Common Shares. Purebond is not considered a "control person" under applicable securities laws.

As of the date of this AIF, our directors and officers, as a group, beneficially own, or control or direct, directly or indirectly, an aggregate of 59,641,354 Common Shares, representing approximately 18.4 percent of the Company's issued and outstanding Common Shares. The information regarding Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective individuals.

### Corporate Cease Trade Orders

Other than as set out below, to the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Touchstone and any personal holding company of the director or executive officer) that:

- (a) while that person was acting in that capacity, was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person was named in the order), or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "Order"); or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that

occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Paul Baay was formerly a director of AlkaLi3 Resources Inc. ("**AlkaLi3**"), a reporting issuer listed on the NEX board of the TSX Venture Exchange. On May 4, 2018, a cease trade order for failure to file its audited annual financial statements was issued against AlkaLi3 by the Alberta Securities Commission ("**ASC**") and the Ontario Securities Commission (the "**OSC**"), on their own behalf and on behalf of the provinces of British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland pursuant to Multilateral Instrument 11-103 - *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*. As a result, the TSX Venture Exchange suspended trading of AlkaLi3 common shares effective May 4, 2018. AlkaLi3 filed the required financial statements on May 9, 2018, and the cease trade order was revoked by the ASC and OSC on May 11, 2018.

### **Bankruptcies and Insolvencies**

Other than as set forth below, to the knowledge of the Company, no director or executive officer of the Company:

- (a) is, at the date of this AIF, or has been, within the ten years before the date of this AIF, a director or executive officer of any company (including Touchstone) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Mr. Bhupendra Kansagra was a director of Chessum Plants Ltd. within one year of administrators being appointed on April 25, 2018. Chessum Plants Ltd. was subsequently dissolved following liquidation on December 16, 2023, with no shortfall to secured creditors but a shortfall to unsecured creditors.

Mr. Kenneth R. McKinnon was a director of Lightstream Resources Ltd. ("**Lightstream**") when the company obtained creditor protection under the Companies' Creditors Arrangement Act (Canada) ("**CCAA**") on September 26, 2016. On December 29, 2016, as a result of the CCAA sales process, substantially all of the assets and business of Lightstream were sold to Ridgeback Resources Inc., a new company owned by former holders of Lightstream's secured notes. Mr. McKinnon resigned as a director of Lightstream upon formation of the new company.

### **Penalties and Sanctions**

To the knowledge of the Company, other than as set forth below, no director or executive officer of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On May 16, 2023, Mr. Paul R. Baay entered into a Settlement Agreement with the ASC in relation to a breach of section 147(4) of the *Securities Act* (Alberta) (the "**Settlement Agreement**"). Pursuant to the Settlement Agreement, Mr. Baay admitted that he, on six occasions between December 2019 and April 2021, emailed draft Touchstone news releases to an employee of a regulated Canadian investment dealer

firm, who was a registered dealing representative of Touchstone (the "**Registrant**"), and, in such capacity, was responsible for the Company's Employee Share Ownership Plan, prior to such news releases being broadly distributed to the public. Mr. Baay emailed the draft Touchstone news releases to the Registrant during the evenings or on the weekends when both the TSX and AIM markets were closed. On each of the six occasions, Touchstone distributed the final versions of the Touchstone news releases to the public before the TSX and AIM markets opened for regular trading on the next trading day. Mr. Baay paid the ASC \$40,000 in settlement of the matter and completed training in public company governance best practice. The ASC did not require any market access bans on Mr. Baay as part of the Settlement Agreement.

### **Conflicts of Interest**

The directors or officers of the Company may, from time to time, be involved with the business and operations of other oil and natural gas companies or otherwise be involved in natural resource exploration and development, in which case a conflict may arise. See the "*Risk Factors*" section herein.

Circumstances may arise where members of our Board of Directors serve as directors or officers of corporations in competition with our interests. No assurances can be given that opportunities identified by such Board members will be provided to us.

In addition, Purebond, the Company's current largest shareholder holding 50,000,000 Common Shares (approximately 15.4 percent of the issued and outstanding Common Shares), is entitled to appoint one director to the Board pursuant to a Subscription and Investor Rights Agreement. While this director may have a potential interest in matters involving Purebond, the Board has established procedures, in accordance with the ABCA, requiring disclosure of any material interest and, where applicable, that the interested director abstain from voting on related matters. Purebond is not a control person of the Company.

Our Board complies with all legal requirements relating to conflicts of interest and related party transactions. Directors must disclose their business and personal relationships with the Company and other companies or entities they have relationships with.

Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the ABCA, which require that a director or officer of a corporation who is a party to, or who is a director or officer of, or has a material interest in, any person that is a party to a material contract or proposed material contract with the Company disclose such interest and, in the case of directors, refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. In addition, in certain cases, an independent committee of our Board may be formed to deliberate on such matters in the absence of the interested party.

The Board's Audit Committee is responsible for reviewing all "related party transactions" (as defined under applicable securities laws) and ensuring the nature and extent of such transactions are properly disclosed.

## **AUDIT COMMITTEE INFORMATION**

### **Audit Committee Mandate**

The complete text of the mandate of the Audit Committee is included in Appendix "C" of this AIF.

### **Composition of the Audit Committee and Qualifications**

The members of the Audit Committee are Mr. Stanley T. Smith (Chair), Dr. Priya Marajh, and Mr. Peter Nicol, each of whom is independent within the meaning of National Instrument 52-110 - *Audit Committees* and financially literate. The relevant education and experience of each Audit Committee member is outlined below.

### ***Stanley T. Smith, CPA, CA, ICD.D (Chair)***

Mr. Smith is a designated accountant with over thirty-nine years of public accounting experience. He has been an independent consultant since October 2016. Prior thereto, he was a Partner at KPMG LLP from March 1981 until retirement in September 2016, focusing on public company auditing and advising primarily in the oil and natural gas exploration, production, and service industries.

Mr. Smith was formerly a director of Toscana Energy Income Corporation, Razor Energy Corp. and Savanna Energy Services Corp. Mr. Smith is a member of the Chartered Professional Accountants of Alberta and Institute of Corporate Directors and obtained a Bachelor of Commerce from Concordia University.

### ***Dr. Priya Marajh, PhD***

Dr. Priya Marajh was appointed Interim Chief Executive Officer of the Energy Chamber of Trinidad and Tobago, effective April 1, 2026. Since 2018, Dr. Marajh has served as the Vice President, Advocacy and Member Engagement for the Energy Chamber, following her tenure as Manager of Research and Communications from 2014 to 2018. Her career includes specialized experience in energy sector advocacy, local content development, international business, and social and economic policy.

Dr. Marajh has served as a consultant and technical lead for the United Nations Development Programme since July 2021 and has been a part-time lecturer at The University of the West Indies since 2008. Her prior experience includes serving as an International Relations Officer for the Ministry of Foreign Affairs of the GOTT. Dr. Marajh holds a Bachelor of Laws from the University of London, as well as a Master of Science and a Doctor of Philosophy in International Relations from The University of the West Indies.

### ***Peter Nicol***

Mr. Nicol is an independent businessman with over 40 years of experience in the oil and natural gas sector, spanning both industry operations and investment banking. He was formerly the founder and Chief Executive Officer of Locin Energy Ltd., an energy consulting firm, from March 2012. Mr. Nicol currently serves as a director of Eco Atlantic Oil and Gas Ltd., where he is Chair of the Audit Committee and a member of the Compensation Committee, and as a director of Deltic Energy Plc, where he serves as Chair of both the Audit and Remuneration Committees. He is also a director of Thorogood Associates Ltd., a private entity.

Throughout his career, Mr. Nicol has advised numerous small-to-medium-cap and private-equity-financed companies in the United Kingdom, Canada, and Norway on strategic mergers and acquisitions, corporate finance, and governance. His previous investment banking experience includes senior roles with GMP Securities Europe, Tristone Capital, ABN AMRO, and Goldman Sachs. Mr. Nicol began his career with the British National Oil Corporation and holds a Bachelor of Science in Mathematics and Economics.

## **Pre-Approval Policies and Procedures**

The Audit Committee has adopted a policy to review and pre-approve any non-audit services provided by the external auditors and will consider the impact on auditor independence. The Committee may delegate authority to the Audit Chair to pre-approve non-audit services, provided the Chair reports such pre-approvals at the next scheduled meeting, and the Chair complies with such other procedures as may be established by the Audit Committee from time to time.

## **External Auditor Service Fees**

KPMG LLP was appointed auditors of the Company effective September 29, 2021, following a review and proposal process by Management and the Audit Committee.

The following table summarizes the aggregate fees paid or payable to KPMG LLP as applicable for the years ended December 31, 2025 and 2024 in Canadian dollars. Invoices denominated in foreign currencies have been translated to Canadian dollars at average exchange rates for the relevant year.

Year	Audit fees <sup>(1)</sup> (C\$)	Audit-related fees <sup>(2)</sup> (C\$)	Tax fees <sup>(3)</sup> (C\$)	All other fees <sup>(4)</sup> (C\$)
2025	451,188	-	-	-
2024	364,098	-	-	-

Notes:

- (1) "Audit fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit fees also include audit or other attest services in connection with statutory and regulatory filings and engagements.
- (2) "Audit-related fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements but not reported as Audit fees.
- (3) "Tax fees" include fees for professional services for tax compliance, tax planning and tax advice.
- (4) "All other fees" include fees for all other services not meeting the fee classifications above.

## Reliance on Exemptions

At no time since the commencement of the most recently completed financial year has the Company relied on any exemptions under National Instrument 52-110 - *Audit Committees* regarding Audit Committee independence or composition.

## Audit Committee Oversight

At no time since commencement of the most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

## MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, including purchase and sale agreements and exploration and production licences and marketing agreements, the Company has not entered into any material contracts during its most recently completed financial year, or before its most recently completed financial year that are still in effect, other than the Rights Plan, the Loan Agreement and the Debenture (as disclosed in the "*Description of Capital Structure*" section of this AIF).

The Rights Plan, Loan Agreement and the Debenture, as well as additional information relating to the Company contained in documents filed by the Company with the Canadian securities regulatory authorities, may be accessed through the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

Please see the "*Description of the Business and Operations - Trinidad Operations*" section herein for details regarding the Company's P&NG exploration and production licence and marketing agreements.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company, as at the date of this AIF, there were no material legal proceedings to which the Company was a party or of which any of its properties or assets was the subject matter, nor are there any such proceedings known to be contemplated.

Additionally, as of the date of this AIF, there have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, nor any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

## **AUDITORS, TRANSFER AGENTS AND REGISTRAR**

The independent auditor of the Company is KPMG LLP, Chartered Professional Accountants, Suite 2200, 240 - 4<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 4H4. KPMG LLP was appointed as the Company's independent external auditor on September 29, 2021 by the Board.

The Company's transfer agent and registrar for the Common Shares is Odyssey Trust Company, Suite 1230, 300 - 5<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3C4. The Company's depository and custodian for its United Kingdom depository interests is MUFG Corporate Markets (formerly Link Market Services Trustees Limited), Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom. Odyssey Trust Company and Link Market Services Trustees Limited were appointed to their respective roles effective April 12, 2021 by the Board.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth below, there are no material interests, direct or indirect, of any director or executive officer of the Company, of any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of the Company, or any other Informed Person (as defined in NI 51-102), or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

On October 30, 2025, the Company completed a private placement, pursuant to which Purebond acquired 50,000,000 Common Shares at a price of £0.11 per share for total gross proceeds of £5.5 million (approximately \$7.2 million). Following the closing of the private placement, Purebond became a significant shareholder, holding approximately 15.4 percent of the Company's issued and outstanding Common Shares. In connection with this investment, the Company entered into an Investor Rights Agreement with Purebond, which grants Purebond the right to nominate one director to the Board for so long as it maintains an ownership stake of at least 15 percent. Pursuant to this agreement, Mr. Bhupendra Kansagra, a director of Purebond, was appointed to the Company's Board of Directors as a non-executive director effective January 8, 2026.

## **INTERESTS OF EXPERTS**

The Company used KPMG LLP for external audit services for the year ended December 31, 2025. KPMG LLP have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

GLJ Ltd. prepared the Reserves Report, the results of which are summarized in this AIF. None of the designated professionals of GLJ Ltd. have any registered or beneficial interests, direct or indirect, in any of the Company's securities or other property of its associates or affiliates either at the time they prepared the statements, reports or valuations, at any time thereafter, or to be received by them.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or its associates and affiliates.

Thomas E. Valentine, the Company's Corporate Secretary, is a senior partner at Norton Rose Fulbright Canada LLP, which renders legal services to Touchstone.

## RISK FACTORS

The following is a summary of certain risk factors relating to the business of Touchstone and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF.

**Investors should carefully consider the risk factors set out below and review all other information contained herein and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with Touchstone's business and the international oil and natural gas business. The risks discussed below are based on certain assumptions the Company has made which later may prove to be incorrect or incomplete. Investors are encouraged to perform their own investigation with respect to the Company's business, financial condition, and prospects.**

**The risks and uncertainties described below are those that the Company's Management believes are material, but these risks and uncertainties may not be the only ones that Touchstone may face. Additional risks and uncertainties, including those that the Company's Management currently is not aware of or deem immaterial, may also result in decreased P&NG sales, increased operating or capital expenses, may restrict Touchstone's ability to pursue its strategic priorities, respond to changes in its operating environment, fulfil commitments and obligations, or other events that could lead to a decline in the value of any securities of Touchstone.**

The exploration for and production of hydrocarbons is a highly speculative activity which involves a high degree of risk. Accordingly, the Common Shares should be regarded as a highly speculative investment, and an investment in the Company should only be made by those investors with the necessary expertise to evaluate the investment fully and who can sustain the total loss of their investment.

In assessing the risks of an investment in the Common Shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity, and good faith of the Management of Touchstone. Potential investors should carefully consider the following information about these risks, together with the information contained in Touchstone's continuous disclosure record available on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)) before any purchase or sale of such securities. Investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Common Shares. If any of the following risks occurs, the business, financial condition and prospects of Touchstone could be adversely affected in a material way. In that case, the value of any securities of the Company could also decline, and investors could lose all or part of their investment.

The information set forth below contains "forward-looking statements", which are qualified by the information contained in the section of this AIF entitled "*Notes to Reader - Advisories - Forward-Looking Statements*".

### Going Concern Risk

As at December 31, 2025, the Company had a working capital deficit of \$15.4 million, excluding the convertible debenture which is only 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 historically has experienced additional capital costs and operational challenges impacting additional production, the Company expects that cash balances may not be sufficient to fund projected operating and development expenditures and required bank debt repayments of \$12.8 million, included in the working capital deficit, over the next twelve months. In addition, the Company 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 entire bank debt balance becoming due at that time. 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, obtaining additional financing through debt or equity, or restructuring existing debt obligations and financial covenants. Management is actively evaluating alternatives to meet the remaining capital requirements, including potential additional debt or equity financing and adjustments to its operational and development plans.

The Company's December 31, 2025 audited consolidated 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.

### **Liquidity and Recapitalization**

The Company is currently pursuing a strategic recapitalization plan, which may include the renegotiation of existing credit facilities to improve amortization terms and covenants or issue additional equity. There is no assurance that these negotiations will be successful or that liquidity can be secured on favourable terms. Failure to achieve these financial milestones may limit Touchstone's ability to fund its 2026 capital program. There is no assurance that the Company will be able to complete a recapitalization or renegotiate its credit facilities on acceptable terms, or at all. If debt is restructured, it may be on less favourable terms and may involve higher interest rates or more restrictive covenants. Furthermore, the Company may have difficulty raising additional funds, or if it is able to do so it may be on unfavourable and highly dilutive terms.

### **General Risks Relating to Oil and Natural Gas Exploration, Development and Production**

The Company's operations are subject to all the risks normally associated with the exploration, development, production and sale of P&NG including geological risks, operating risks, development risks, marketing risks, decommissioning risks and logistical risks of operating in Trinidad. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as environmental and safety performance.

P&NG operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Drilling hazards, such as fire, explosion, blow-outs, cratering, spills, environmental damage, adverse geological conditions and various field operating conditions, including delays in obtaining governmental approvals or consents, shut-ins of wells or pipelines resulting from extreme weather conditions, insufficient storage or transportation capacity and other geological and mechanical conditions, could result in substantial damage to wells, production facilities, other property and the environment or in personal injury and could greatly increase the cost of operations and adversely affect the production from successful wells. Other factors affecting the exploration, development, production and sale of P&NG that could result in decreases in profitability include: expiration or termination of the leases, licences, sub-licences, permits, joint operation or venture agreements and marketing agreements, as applicable; sales price redeterminations or suspension of deliveries; future litigation; the timing and amount of insurance recoveries; work stoppages or other labour difficulties; changes in the market; and general economic conditions. As Touchstone maintains liability insurance coverage in an amount that it considers consistent with industry practices, it will not be fully insured against all risks nor are all such risks insurable. In either event, the Company could incur significant costs.

Future P&NG exploration may involve unprofitable efforts, not only from dry wells but from wells that are productive but do not produce sufficient P&NG sales to return a profit after drilling, completion, production testing, operating and other costs. The completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating expenditures. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect P&NG sales and cash flow levels to varying degrees and prospects.

As a participant in the oil and natural gas industry, the Company is exposed to a high level of exploration and production risk, upon which there is no assurance that hydrocarbon reserves will be discovered and economically produced. The Company's current and future (to the extent discovered or acquired) proved reserves will decline as reserves are produced from its properties unless it can acquire or develop new reserves. The business of exploring for, developing or acquiring reserves is capital intensive and is subject to numerous estimates and interpretations of geological and geophysical data. There can be no assurance that the Company's future exploration, development and acquisition activities will result in material additions of proved reserves or of further commercial quantities of P&NG. A future increase in the Company's reserves will depend on both the ability of the Company to explore and develop its existing properties and its ability to select and acquire suitable producing properties or prospects. There is no assurance that the Company will be able continue to find satisfactory properties to acquire or participate in.

Moreover, Management of the Company may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participation uneconomic. There is also no assurance that the Company will discover or acquire further commercial quantities of P&NG. To manage this risk, to the extent possible, Touchstone employs or contracts highly qualified geologists, uses technology such as seismic and current information system technology as primary exploration tools, and focuses its exploration efforts in known hydrocarbon-producing basins. The Company may also choose to mitigate exploration risk through acquisitions that may require raising additional funds.

It is difficult to project the costs of implementing any exploratory drilling program due to the inherent uncertainties of drilling in unknown formations; the costs associated with encountering various drilling conditions such as unexpected formations or over pressured zones; premature declines of reservoirs and the invasion of water into producing formations; potential environmental damage, blow-outs, cratering, fires and spills, all of which could result in personal injuries, loss of life or threaten wildlife and damage to property of the Company and others; tools lost in the hole; and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

### **Foreign Location of Assets**

Touchstone is subject to additional risks associated with international operations. The Company's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of Touchstone, including, but not limited to: nationalization, expropriation of property without fair compensation or marketable compensation; changes in laws and policies impacting foreign trade and investment; renegotiation or nullification of existing concessions and contracts; the imposition of specific drilling obligations and the development and abandonment of fields; changes in energy and environmental policies or the personnel administering them; changes in P&NG pricing policies; the actions of national labour unions; currency fluctuations and devaluations; currency exchange controls; economic sanctions; taxation of the oil and natural gas sector; and other risks arising out of foreign governmental sovereignty over the areas in which Touchstone's operations are or will be conducted. If the Company's operations are disrupted and/or the economic integrity of its projects are threatened for unexpected reasons, its business may be harmed. Prolonged problems may threaten the commercial viability of its operations. In addition, there can be no assurance that contracts, licences, licence applications or other legal arrangements will not be adversely affected by changes in governments in foreign jurisdictions, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

In the event of a dispute arising in connection with Touchstone's operations in Trinidad, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgements in such other jurisdictions. Touchstone may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, Touchstone's exploration, development and production activities in Trinidad could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect.

Acquiring interests and conducting exploration and development operations in foreign jurisdictions often require compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management is unable to predict the effect of additional corporate, environmental and regulatory formalities which may be adopted in the future including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Touchstone may in the future acquire P&NG properties and operations outside of Trinidad, which expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of Touchstone.

### **Political and Geopolitical Uncertainty**

The Company's results can be adversely impacted by political, legal or regulatory developments in Trinidad and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically, and duration of regulatory reviews could impact the Company's existing operations and planned projects. This includes actions by regulators to delay or deny necessary licences and permits for Touchstone's activities or restrict the operation of third-party infrastructure that the Company relies on. Additionally, changes in environmental regulations, assessment processes or other laws and increasing and expanding stakeholder consultation may increase the cost of compliance or reduce or delay available business opportunities and adversely impact the Company's results. The oil and natural gas industry has become an increasingly politically polarizing topic globally, which has resulted in a rise in civil disobedience surrounding P&NG development particularly with respect to infrastructure projects. Protests, blockades and demonstrations have the potential to delay and disrupt the Company's activities.

Government and political factors that could adversely affect the Company's financial results include increases in income taxes or government royalty rates (including retroactive claims) and shifts in international trade policies and agreements. Further, the adoption of regulations mandating efficiency standards and the use of alternative fuels or uncompetitive fuel components could affect Touchstone's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for Touchstone's P&NG products or render certain of its assets less competitive.

Following the general election in April 2025, a new administration took office in Trinidad with a mandate focused on energy sector revitalization and regional collaboration. While the new GOTT has expressed strong support for the continued development of the energy sector and foreign direct investment, any future change in leadership or administrative personnel could lead to shifts in energy policy or royalty and income tax regimes. Any future political instability, changes in government policy, or civil unrest in Trinidad could result in operational delays, increased costs, or the loss of exploration and production rights. Touchstone's current business strategy, including its risk management strategies, have been formulated in the light of the current political and regulatory environment and likely future changes. The political and regulatory environment may change in the future, and such changes may have a material adverse effect on the Company.

Trinidad's energy future is increasingly linked to cross-border projects with Venezuela. Following the political transition in Caracas in early 2026 and the subsequent capture of the former regime's leadership, the geopolitical environment has entered a period of rapid and uncertain evolution:

- Sanctions and licensing: In February 2026, the United States ("U.S.") issued new general licences that provide a structured legal framework for oil and gas activities along the shared maritime border,

accelerating the development of the Dragon and Manakin-Cocuina fields. However, these projects remain subject to strict, tiered U.S. Treasury conditions. Any failure by regional partners to comply with these conditions, or a pivot in U.S. foreign policy, could result in renewed sanctions.

- Operational integration: While these projects offer a positive medium-term outlook for gas supply to the Atlantic LNG facility, the Company remains exposed to the risk of renewed sanctions should democratic norms in Venezuela fluctuate or if U.S. foreign policy shifts.
- Security and border stability: Proximity to Venezuela exposes Trinidad to risks associated with regional migration, maritime security, and transnational crime. Any escalation of regional tensions or a failure of the new Venezuelan administration to maintain domestic order could disrupt supply chains, impact the safety of personnel, or lead to the imposition of new trade restrictions.

The Company continues to monitor these developments, however, the long-term impact of the current Venezuelan transition on Trinidadian energy infrastructure cannot be predicted with certainty.

## **Commodity Prices and Marketing**

### ***Commodity Price Volatility***

The Company's operational results and financial condition are significantly dependent on the commodity prices received for its crude oil, NGL, and natural gas production. Commodity prices have historically been, and continue to be, highly volatile.

Numerous factors beyond Touchstone's control do and will continue to affect the marketability and price of P&NG acquired, produced or discovered by the Company. Accordingly, commodity prices are the Company's most significant financial risk. Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in supply and demand, market uncertainty, and a variety of additional factors beyond the control of Touchstone. These factors include, but are not limited to, the impact of global economic and political conditions; global energy policy such as the actions of Organization of Petroleum Exporting Countries ("**OPEC**") and other oil and natural gas exporting nations; governmental regulation; global political stability; the foreign supply and demand of crude oil; risks of supply disruption; the price of foreign imports; and the availability of alternative fuel sources. Crude oil and LNG prices may be continue to be volatile for a variety of reasons including market uncertainties over the supply and demand due to the current state of the global economy, the impact of regional and/or global health-related events on economic activity levels and energy demand such, OPEC and non-OPEC producers' actions in respect of supply, political uncertainties, slowing growth in emerging economies, weakening global relationships and trade relationships, sanctions imposed on certain oil producing nations by other countries and ongoing geopolitical conflicts, including the impact and duration of the ongoing military actions between Russia and Ukraine, as well as ongoing conflicts in the Middle East.

Touchstone makes price assumptions for long-term planning; however, a significant portion of the Company's cash outflows, including operating expenses, capital commitments, and debt service, are largely fixed. If realized commodity prices fall below the expectations used to set these commitments, the Company's financial results will be disproportionately affected, as these costs cannot be quickly reduced in the short term.

The Company monitors market conditions and may selectively utilize derivative instruments to reduce exposure to oil and natural gas price movements. However, the Company is of the view that it is neither appropriate nor possible to eliminate 100 percent of its exposure to commodity price volatility.

A material decline in commodity prices will result in a reduction of the Company's P&NG sales and cash from operating activities. The economics of producing from some wells may change because of lower prices, which could result in reduced production and a reduction in the volumes and the value of the Company's reserves. The Company may also elect not to produce from certain wells at lower prices. In addition, lower commodity prices restrict the Company's cash from operating activities resulting in less cash being available to fund the Company's capital expenditure budget. As a result, the Company may not be

able to replace its production with additional reserves, and both the Company's production and reserves could be reduced on a year-over-year basis. In addition to possibly resulting in a decrease in the value of the Company's economically recoverable reserves, lower commodity prices may also result in a decline in the value of the Company's developed P&NG assets, which could also have the effect of requiring a write-down of the carrying value of the Company's P&NG assets on its consolidated balance sheet and the recognition of an impairment loss in its consolidated statements of comprehensive income. Furthermore, the Company may have difficulty raising additional funds, or if it is able to do so it may be on unfavourable and highly dilutive terms. Any of these factors could negatively affect Touchstone's ability to replace its production and its future rate of growth. In addition, volatile commodity prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

These factors could result in a material decrease in the Company's expected P&NG sales and a reduction in its P&NG production, development and exploration activities. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the carrying value of the Company's reserves, borrowing capacity, P&NG sales, profitability and cash from operating activities and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### ***Crude Oil and Liquids Marketing***

The Company's crude oil and liquids sales are generally benchmarked against Brent reference prices and are subject to quality differentials. These prices are subject to large fluctuations in response to relatively minor changes in global supply and demand. Furthermore, the Company's ability to market its liquids depends on Heritage's ability to access international markets and the continued availability of third-party infrastructure. Any disruption in Heritage's marketing operations or an increase in price differentials for Trinidadian crude quality could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### ***Natural Gas Marketing and Contractual Obligations***

The Company's natural gas marketing strategy is bifurcated between domestic sales and international LNG-linked pricing:

- Ortoire block: Production is sold to the NGC under a long-term, fixed-price agreement. While this provides price certainty, there is no guarantee that the Company will be able to negotiate favorable price increases during scheduled redetermination periods (the next being October 2027). A failure to secure inflationary adjustments or a material decline in the domestic demand for natural gas in Trinidad could reduce the Company's profitability.
- Central block: Production is managed through a flexible strategy involving both domestic sales and international LNG exports. While LNG-linked pricing provides exposure to global energy benchmarks (Brent, Henry Hub, JKM, and NBP), it also introduces significant price volatility.

### ***Deliver-or-Pay and Infrastructure Risks***

The Company's natural gas supply arrangements for the Central block include minimum annual contract supply quantity obligations. Under these "deliver-or-pay" structures, the Company must deliver specified minimum volumes of natural gas or make "shortfall payments" to the counterparty. If production declines, mechanical failures (such as the loss of a wellbore), or downstream infrastructure constraints prevent the Company from meeting these minimums, Touchstone may be required to pay for volumes not produced, which would materially and adversely affect liquidity.

Furthermore, the Company is reliant on third-party infrastructure, including the Cross Island Pipeline and the Atlantic LNG facility. While the permanent decommissioning of Train 1 at Atlantic LNG in late 2026 is not currently expected to impact the Company's supply arrangements (which relate to Trains 2, 3, and 4),

any future unscheduled downtime or further decommissioning of the remaining trains could restrict the Company's ability to market its natural gas and result in significant production shut ins.

### **Sole Purchaser Risk and the Ability to Market**

The Company is exposed to sole purchaser risk in Trinidad as Heritage is the sole purchaser of crude oil and liquids production, and NGC and a third-party LNG marketing company are the purchasers of natural gas production. Touchstone's ability to market its P&NG products depends upon numerous factors beyond its control, including the availability of third-party pipeline capacity, the supply of and demand for P&NG, the availability of alternative fuel sources, the counterparty's future financial viability, and the effects of weather conditions. Deliverability uncertainties relate to third-party processing and storage facilities, operational problems affecting pipelines and facilities as well as government regulation relating to prices, income taxes, royalties, land tenure, allowable production, the export of crude oil and LNG, and domestic usage of natural gas. Because of these factors, Touchstone could be unable to market or to obtain competitive prices for the P&NG it produces.

The amount of P&NG that Touchstone can produce and sell is subject to the accessibility, availability, proximity and capacity of these third-party processing facilities and pipeline systems and over which the Company does not have control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could have a materially adverse effect on the Company's ability to market its P&NG production. The lack of availability of capacity in any of the third-party processing facilities and pipeline systems could result in Touchstone's inability to realize the full economic potential of its production or in a material reduction of the price offered for its production. Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, as well as delays in constructing new infrastructure systems and facilities, could harm the Company's business and, in turn, the Company's financial condition, results of operations and cash from operating activities.

### **Loan Agreement Indebtedness and Restrictive Covenants under the Terms of Indebtedness**

#### ***Operational and Financial Restrictions***

The Company's Loan Agreement imposes significant operating and financial restrictions on the Company that could include restrictions on the payment of dividends, repurchase or making of other distributions with respect to the Company's securities, incurring of additional indebtedness, the provision of guarantees, the assumption of loans, making of capital expenditures, increasing restricted cash reserves, acquiring of further assets, entering into amalgamations, mergers, take-over bids or disposition of assets, among others. The need to meet such thresholds or observe such restrictions could hinder Touchstone's ability to conduct its business strategy.

#### ***Financial Covenants and Risk of Acceleration***

The Company is required to maintain compliance with specific financial covenants, including net senior funded debt to trailing annual EBIDA and debt service coverage ratios. As of December 31, 2025, the existence of a working capital deficit and projected financial results indicate a risk that the Company may not maintain compliance with its financial covenants through 2026. A breach of these covenants, if not cured or waived by the lender, constitutes an event of default. In such an event, the lender may elect to declare the entire outstanding principal balance, together with accrued interest, immediately due and payable. There is no certainty that the Company's assets would be sufficient to generate the funds necessary to repay such indebtedness upon acceleration, or that the Company would be able to secure alternative financing on commercially reasonable terms, or at all.

#### ***Security and Foreclosure Risk***

Pursuant to the terms of the Loan Agreement, the lender has been provided with security over all of the current and future assets of the Company's Trinidad-based upstream P&NG subsidiaries. A failure to

comply with the obligations set out in the Loan Agreement could result in an event of default which, if not cured or waived, could permit acceleration of the relevant indebtedness and adversely affect the Company's operations and/or financial condition. If the Company's lender requires repayment of all or a portion of the amounts outstanding under the Loan Agreement for any reason, including for a default of a covenant, there is no certainty that the Company would be in a position to make such repayment. Even if the Company is able to obtain new financing in order to make any required repayment under its Loan Agreement, it may not be on commercially reasonable terms or terms that are acceptable to the Company.

### ***Refinancing and Liquidity Challenges***

The Company's ability to make scheduled payments or to refinance the Loan Agreement depends on future operating performance and cash flow, which are subject to commodity price volatility and other factors beyond Management's control. The Company is currently pursuing a recapitalization plan to restructure its indebtedness; however, there is no guarantee that these negotiations will result in a formal amendment or that the lender will grant the necessary waivers to prevent an acceleration of debt.

### ***Lender Waivers***

While the Company has historically been successful in obtaining waivers or amendments from its lender in response to changing market conditions or operational delays, there is no assurance that the lender will continue to provide such support in the future. The refusal of a lender to grant a waiver for a covenant breach would likely result in an immediate liquidity crisis for the Company.

### **Secured Convertible Debenture**

The Company's \$12.5 million secured Debenture requires semi-annual interest payments at a fixed rate of 5 percent. While the Debenture is not due for repayment of principal until August 2028, the Company's ability to meet its interest obligations depends on its future financial performance. A failure to make these payments would constitute an event of default under the Debenture and could trigger a cross-default under the Company's Loan Agreement, potentially accelerating all outstanding indebtedness.

Although the Debenture is secured, it is contractually or structurally subordinated to the Company's Loan Agreement. In the event of a liquidation, dissolution, or winding-up of the Company, the assets of the Company would be available to pay the obligations of the Debenture only after all senior debt has been paid in full. There is no guarantee that the remaining assets would be sufficient to repay the principal amount of the Debenture.

The Debenture is convertible into Common Shares at the option of the holder at a price of approximately US\$0.22 per share. If the market price of the Common Shares exceeds the conversion price, the holder is likely to exercise its conversion rights. The issuance of Common Shares upon conversion will result in the dilution of the equity interests of existing shareholders. Furthermore, the perception in the market that these conversions may occur could exert downward pressure on the trading price of the Common Shares.

### **Issuance of Debt**

From time to time, the Company may enter into transactions to acquire assets or common shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Company's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, the Company may require additional debt financing that may not be available or, if available, may not be available on favourable terms. Neither the Company's articles nor its bylaws limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise and may adversely affect the market price of the Common Shares if investors consider its debt level to be higher than that of its peers.

## **Substantial Capital Requirements and Additional Funding**

The Company anticipates making substantial capital expenditures for the acquisition, exploration, development and production of P&NG reserves in the future. If the Company's P&NG sales or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs and may require additional financing to do so. As a result of global economic and political volatility, the Company may from time to time have restricted access to capital and increased borrowing costs. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. Touchstone's inability to raise funding to support ongoing operations and to fund capital expenditures or acquisitions may limit the Company's growth, may affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production or may have a material adverse effect upon the Company's financial condition, results of operations or prospects. The ability of Touchstone to arrange financing in the future will depend in part upon the prevailing capital market conditions, commodity prices, risk associated with international P&NG operations, interest rates, royalty rates, tax burden due to current and future income tax laws, investors' interest in the energy industry, as well as the business performance of the Company.

Fluctuations in commodity prices may affect lending policies for potential future lenders. This may be further complicated by the limited market liquidity for shares of smaller internationally focused companies, restricting access to some institutional investors. This in turn could limit growth prospects in the short-term or may even require Touchstone to dedicate existing cash balances or cash from operating activities, dispose of properties or raise new equity to continue operations under circumstances of declining energy prices, disappointing drilling results, or economic or political dislocation in foreign countries. To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Company's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be subsequently affected materially and adversely.

The costs associated with Touchstone's future capital programs and abandonment and reclamation costs could be materially higher than expected, and Touchstone may experience adverse variances to budget with respect to capital expenditures. The Company could therefore require additional funding in the future to fulfill its stated objectives, and there can be no assurance that such funding will be available to Touchstone on favourable terms, or at all. If additional financing is raised by the issuance of Common Shares, control of the Company may change, and shareholders may suffer additional dilution. The Company cannot predict the size of future issuances of equity or the issuance of debt or the effect, if any, or the future issuances and sales of the Company's securities will have on the market price of the Common Shares. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay in development or production on its properties, cause the Company to forfeit its interest in certain properties, miss strategic acquisition opportunities or reduce or terminate its operations.

## **Adverse Economic Conditions**

The demand for energy, including oil and natural gas, is generally linked to broad-based economic activities. If there was a slowdown in economic growth, an economic downturn or recession or other adverse economic or political developments, there could be a significant adverse effect on global financial markets and commodity prices. In addition, hostilities in the Middle East, Ukraine, South America and elsewhere and the occurrence or threat of terrorist attacks in the U.S. or other countries could adversely affect the global economy. Global or national health concerns, including the outbreak of a pandemic or contagious diseases may adversely affect the Company by (i) reducing global economic activity thereby resulting in lower demand for oil and natural gas, (ii) impairing its supply chain, for example, by limiting the manufacturing of materials or the supply of goods and services used in Touchstone's operations, and (iii) affecting the health of its workforce, rendering employees unable to work or travel. These and other factors disclosed in this AIF that affect the supply and demand for oil and natural gas, and the Company's business and industry could ultimately have an adverse impact on Touchstone's financial condition, financial performance and cash flows.

## Nature of Acquisitions and Failure to Realize Benefits of Acquisitions and Dispositions

The Company considers acquisitions and dispositions of businesses and assets as ordinary course of business. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner and the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company. The integration of acquired businesses and assets may require substantial Management effort, time and resources diverting Management's focus from other strategic opportunities and operational matters and may also result in the loss of key employees, the disruption of ongoing business, supplier, customer, and employee relationships, and deficiencies in internal controls or informational technology controls.

Touchstone continually assesses the value and mix of its assets in light of the Company's business plans and strategic objectives. In this regard, at times, non-core assets may be periodically disposed of, so the Company can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Company may realize less on disposition than its related carrying value on the consolidated financial statements of the Company.

Acquisitions of oil and natural gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquirer, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of P&NG, environmental restrictions and prohibitions regarding releases and emissions of various substances, future commodity prices, operating expenses, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the Company. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated. Although select title and environmental reviews are conducted prior to any purchase of oil and gas assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Company's title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the value of the Company's indirect interest in any such P&NG properties and the Common Shares.

In May 2025, the Company completed the Acquisition of the Central Licence, which was primarily funded through a \$30 million, six-year non-revolving term loan facility. While the acquired assets have outperformed initial estimates to date, the Company faces significant risks associated with the integration of these operations and the execution of its "drill-to-fill" strategy for the natural gas processing facility.

The economic viability of the Acquisition and the Company's ability to service the associated debt are heavily dependent on maintaining high utilization rates at this facility. Operational setbacks in the planned multi-well development program at Carapal Ridge, including drilling delays, mechanical wellbore failures, or sub-commercial reservoir results, could result in:

- Underutilization of capacity: Failure to add incremental production would lead to higher-than-anticipated unit operating costs as fixed facility expenses are spread over lower production volumes.
- Debt service pressure: The \$30 million facility was structured with no principal payments in the first year to align with initial production; however, any prolonged delays in the development drilling program may result in insufficient cash flow to meet the commencement of principal repayments in 2026 and beyond.
- Concentration of risk: Because the Central block represents a material portion of the Company's forecasted production profile, any localized operational failure there would have a disproportionate impact on the Company's Loan Agreement financial covenants.

## Environmental Regulations

The Company is subject to environmental laws and regulations that affect aspects of the Company's past, present and future operations. Extensive environmental laws and regulations in Trinidad set various standards regulating certain aspects of health and environmental quality, including air emissions, noise pollution, water quality, wastewater discharges and the generation, transport and disposal of waste and hazardous substances; provide for penalties and other liabilities for the violation of such standards; and establish obligations to remediate current and former facilities and locations where operations are or have been conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation. The Company adopts prudent and industry-recommended field operating procedures for all operations, as well as maintaining a robust HSE program in order to protect the environment, its employees and contractors, and the general public.

These environmental laws and regulations impose certain costs and risks on the Company, and there remains some uncertainty with regard to the impact of climate change and environmental laws and regulations on Touchstone, as the Company is unable to predict additional legislation or amendments that the GOTT may enact in the future. Any new laws and regulations, or additional requirements to existing laws and regulations, could have a material impact on the Company's operations and cash flows. Touchstone has a plan in place to monitor and report key metrics surrounding the environmental impacts of its operations to its HSSE Committee and Board.

The Company's activities have the potential to impair natural habitat, damage plant and wildlife, or cause contamination to land or water that may require remediation under applicable laws and regulations. These laws and regulations require the Company to obtain and comply with a variety of environmental registrations, licences, permits and other approvals. In Trinidad, licencing and permitting processes relating to the exploring and drilling for and development of P&NG, including any required marketing infrastructure take significant time, and they are outside the control of the Company. Environmental regulations place restrictions and prohibitions on emissions of various substances produced concurrently with P&NG and can impact on the selection of drilling sites and facility locations, potentially resulting in increased capital expenditures. Both public officials and private individuals may seek to enforce environmental laws and regulations against the Company. Failure to comply with current and proposed regulations can have a material adverse effect on the Company's business and results of operations by substantially increasing its capital expenditures and compliance costs and affecting its ability to meet its financial obligations, including debt payments. It may also lead to the modification or cancellation of licences, sub-licences and permits, penalties and other corrective actions which may have an impact on production operations.

Significant liability could be imposed on the Company for costs resulting from potential unknown and unforeseeable environmental impacts arising from the Company's operations, including clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties purchased by Touchstone or non-compliance with environmental laws or regulations.

Given the nature of the Company's business, there are inherent risks of crude oil and liquids spills occurring at the Company's drilling and operations sites. Large spills of crude oil and liquids can result in significant clean-up costs. Liquids spills can occur from operational issues, such as operational failure, accidents and deterioration and malfunctioning of equipment. In Trinidad, crude oil and liquids spills can also occur as a result of sabotage and damage to well equipment and pipelines. In June 2022, the Company had an incident where a gathering pipeline was cut, resulting in an oil spill.

Further, the Company sells crude oil and liquids at various sales batteries stations, and the liquids are primarily transported by truck from well pads to the sales batteries. There is an inherent risk of crude oil and liquids spills caused by road accidents which the Company may still be deemed to be responsible for as the owner of the crude oil. All of these may lead to significant potential environmental liabilities, such as clean-up and litigation costs, which may have a material adverse effect on the Company's financial condition, cash flow and results of operations. Depending on the cause and severity of the liquids spill, the

Company's reputation may also be adversely affected, which could limit the Company's ability to obtain permits and affect its future operations.

To prevent and/or mitigate potential environmental liabilities from occurring, the Company has policies and procedures designed to avoid and contain liquids spills. The Company works to minimize spills through facilities that are safely operated, effective operations integrity management, continuous employee training, regular upgrades to facilities and equipment, and implementation of a comprehensive inspection system. Also, the Company's facilities and operations are subject to routine inspection by various authorities in Trinidad to evaluate the Company's compliance with current laws and regulations.

Touchstone maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds and result in financial distress.

Although the Company believes that it is in material compliance with current applicable environmental legislation, no assurance can be given that environmental compliance requirements will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

## **Climate Change Risks**

### ***Regulation and Policies***

There is growing international concern regarding climate change, and there has been a significant increase in focus on the timing and pace of the transition to a lower-carbon economy. Greenhouse gas ("**GHG**") emissions legislation is emerging and is subject to change. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and environmental activists, and individuals are increasingly seeking to implement, among other things, regulatory and policy changes, changes in investment patterns, and modifications in energy consumption habits and trends, which individually and collectively are intended to or have the effect of accelerating the reduction in the global consumption of carbon-based energy, the conversion of energy usage to less carbon-intensive forms, and the general migration of energy usage away from carbon-based forms of energy. The impact of such efforts requires Management to dedicate significant time and resources to these evolving climate-related change concerns and may adversely affect the Company's operations, the demand for and price of Touchstone's P&NG production, its cost of capital and access to capital markets.

Climate change and its associated impacts may increase Touchstone's exposure to, and magnitude of, each of the risks identified herein. Overall, the Company is not able to estimate at this time the degree to which climate-related regulatory, climatic conditions, and climate-related transition risks could impact Touchstone's financial and operating results. Foreign and domestic governments continue to evaluate and implement policy, legislation, and regulations focused on restricting GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. Current GHG emissions legislation has not resulted in material compliance costs; however, it is not possible to predict what measures foreign and domestic governments may implement in this regard, nor is it possible to predict the requirements that such measures may impose or when such measures may be implemented. In addition, international multilateral agreements, the obligations adopted thereunder and legal challenges concerning the adequacy of climate-related policy brought against foreign and domestic governments may accelerate the implementation of these measures. The Company's business, financial condition, results of operations, cash flows, reputation, access to capital, access to insurance, cost of borrowing, and ability to fund business plans may, in particular, without limitation, be adversely impacted as a result of climate change and its associated impacts. Given the evolving nature of climate change policy and the control of GHG emissions and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing Touchstone's operating expenses and, in the long-term, potentially reducing the

demand for P&NG, resulting in a decrease in the Company's profitability and a reduction in the value of its assets.

Trinidad currently has national policies (national environmental policy and national climate change policy) that address, *inter alia*, the issue of mitigation or reduction of GHG emissions. The national climate change policy aims to provide policy guidance for the development of an appropriate administrative and legislative framework for the pursuance of low-carbon development through suitable and relevant strategies and actions to address climate change, including sectoral and cross-sectoral adaptation and mitigation measures. The policy is guided by the objective of reducing or avoiding GHG emissions from all emitting sectors. Notwithstanding this, the EMA, which is the existing statute for environmental matters, does not specifically address GHG emissions but does express provisions for carbon dioxide.

Emissions, carbon, and other regulations impacting climate and climate-related matters are constantly evolving. In June 2023, the International Sustainability Standards Board (the "ISSB") issued two global disclosure standards, IFRS S1 and S2, to promote consistent, comparable, and reliable environmental reporting. In December 2024, the Canadian Sustainability Standards Board finalized similar Canadian Standards, CSDS 1 and CSDS 2. In December 2025, ISSB announced targeted amendments to IFRS S2; whether the Canadian Standards will be revised remains uncertain. Meanwhile, in April 2025, due to significant changes in the global economic and geopolitical landscape, the Canadian Securities Administrators paused work on its own climate disclosure initiative.

The cost to comply with these standards and others that may be developed or evolved over time have yet to be quantified by the Company and it is possible that the long-term effects of these new regulations will affect the Company's business, results from operations, access to capital and financial condition. If the Company is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approval and authorizations from various governmental authorities, and raise capital may be adversely affected.

### ***Litigation Related to Climate Change***

In recent years there has been an increase in related climate change litigation in various jurisdictions including Canada, the U.S. and internationally. Various claims have been asserted, including that energy producers contribute to climate change, are not reasonably managing business risks associated with climate change, and have not adequately disclosed business risks of climate change. While many of the related climate change actions are in preliminary stages of litigation, and in some cases declare novel or unproven causes of action, there can be no assurance that legal, societal, scientific and political developments will not increase the likelihood of successful related climate change litigation against energy producers, including Touchstone. The outcome of any such litigation is uncertain and may materially impact the Company's business, financial condition or results of operations. Touchstone may also be subject to adverse publicity associated with such matters, which may negatively affect public perception and Company's reputation, regardless of whether Touchstone is ultimately found responsible. The Company may be required to incur significant expenses or devote considerable resources in defense against any such litigation.

### ***Technology***

The Company depends on, among other things, the availability and scalability of existing and emerging technologies to meet its goals, including ESG targets and goals. Limitations related to the development, adoption and success of these technologies could have a negative impact on long-term business resilience.

### ***Demand and Commodity Prices***

Full conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to P&NG, and technological advances in fuel economy and renewable energy generation devices could reduce the demand for petroleum products. Recently, certain jurisdictions have implemented policies or

incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for P&NG. The Company cannot predict the impact of changing demand for P&NG products, and any major changes may have a material adverse effect on Touchstone's business, financial condition, results of operations and cash from operating activities by decreasing the Company's profitability, increasing its costs and decreasing the value of its assets.

### ***Access to Capital and Insurance***

Capital markets are adjusting to the risks that climate change poses, and as a result, the Company's ability to access capital and secure necessary or prudent insurance coverage may also be adversely affected in the event that institutional investors, credit rating agencies, lenders and/or insurers adopt more restrictive decarbonization policies. Certain insurance companies have taken actions or announced policies to limit available coverage for companies which derive some or all of their revenue from the oil and natural gas sector. As a result of these policies, premiums and deductibles for some or all insurance policies could increase substantially. In some instances, coverage may be reduced or become unavailable, and the Company may not be able to renew its existing policies or procure other desirable insurance coverage, on commercially reasonable terms or at all. The future development of the business may be dependent upon Touchstone's ability to obtain additional capital, including debt and equity financing. Further, to the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact the Company's cost of or access to capital.

### ***Changing Investor Sentiment***

Various factors, including concerns about the impact of fossil fuels use on climate change, the environmental effect of oil and natural gas operations, the risk of petroleum product spills during transportation, and landowners' rights, have influenced the sentiment of certain investors, lenders, and insurers towards investing in, lending to, and insuring participants in the oil and natural gas industry. As a result of these concerns, some institutional, retail and public investors, lenders and insurers have announced that they no longer are willing to fund or invest in, lend to or insure, P&NG properties or companies or are reducing the amount thereof over time. Certain stakeholders have also pressured insurance providers and commercial and investment banks to reduce or stop financing and providing insurance coverage to oil and natural gas and related infrastructure businesses and projects. In addition, certain institutional investors are requesting that issuers develop and implement more robust ESG policies and practices. Developing and implementing such policies and practices can involve significant costs and require a considerable time commitment from the Board, Management and employees of the Company.

Failing to implement the policies and practices as requested by institutional investors, lenders and insurers, may result in such investors reducing their investment in or loan to the Company, or not investing in or lending to Touchstone at all, or such insurers refusing to insure the Company. Any reduction in the investor, lender or insurance base interested or willing to invest in, lend to or insure participants the oil and natural gas industry, and more specifically the Company, may result in limiting Touchstone's access to capital and increasing its cost of capital or insurance, and decreasing the price and liquidity of the Common Shares even if Touchstone's operating results, underlying asset values or business prospects have not changed or have improved. Additionally, these factors, as well as other related factors, may cause a decrease in the value of the Company's assets and Common Shares.

### ***Shareholder Activism***

Shareholder activism has been increasing generally and in the energy industry. Investors may from time-to-time attempt to affect changes to the Company's business or governance, with respect to climate changes or otherwise, by means such as shareholder proposals, public campaigns, proxy solicitations or otherwise. Such actions could adversely impact Touchstone by distracting the Board and Management from core business operations, increasing advisory fees and related costs, interfering with the Company's

ability to successfully execute on strategic transactions and plans and provoking perceived uncertainty about the future direction of the business.

### **Physical Risks**

Weather and climate affect demand, and therefore, the predictability of the demand for energy is affected to a large degree by the predictability of weather and climate. The potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope and severity of probable impacts on the Company's exploration and production operations.

The Company's crude oil and liquids volumes are delivered to a coastal export location and processing facilities via a network of pipeline and gathering systems. Touchstone's natural gas sales are delivered via a network of third-party pipelines and processing facilities. Without other transportation alternatives, sales of production could be disrupted by weather-related or other natural events which damage these pipelines. If petroleum liquids have to be trucked to other sales batteries or to the coastal export location, operating and transportation costs will increase. If production is curtailed, P&NG sales and cash from operating activities will decrease. Extreme variable weather conditions such as heavy rainfall and wildfires may restrict the Company's ability to access its properties and assets and may cause operational difficulties, including damage to equipment and infrastructure and increasing the risk of personnel injury as a result of dangerous working conditions. Certain of the Company's assets are locations that are proximate to forests and rivers, and a wildfire or flood may lead to significant downtime and/or damage to the Company's assets or cause disruptions to the production and transport of its products or the delivery of goods and services in its supply chain. Touchstone would incur delays and expenses responding to such events, repairing damaged equipment and resuming operations. Although the insurance policies may compensate for part of the losses, they will not compensate all of the losses. Such events consume both financial resources and Management and employee time that would otherwise be directed towards the development of the business and the pursuit of business strategy, and there is no assurance that such events would not occur again in the future with equal or greater severity.

### **Reserves Estimates**

There are numerous uncertainties inherent in estimating quantities of recoverable P&NG reserves and the future cash flows attributed to such reserves. The reserves and associated cash flow information herein are estimates only. In general, estimates of economically recoverable P&NG reserves (including the breakdown of reserves by field and product type) and the future net cash flows therefrom are based upon a number of variable factors and assumptions, including forward commodity prices, historical production from the properties, forecasted production rates and estimated production decline rates, estimated ultimate reserve recovery, changes in technology, timing and amount of capital and abandonment expenditures, marketability of P&NG, future operating expenses, royalty rates, income tax rates, and the assumed effects of regulation by governmental agencies, all of which may vary materially from actual results.

For those reasons, among others, estimates of economically recoverable crude oil, NGL and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves may vary, and such variations may be material. The actual production, P&NG sales, royalty expenses, operating costs, future development costs, abandonment and reclamation costs and income tax expenses with respect to the reserves associated with the Company's properties may vary from the information presented herein, and such variations could be material. In addition, income tax estimates set forth herein are calculated by utilizing the Company's estimated December 31, 2025 tax pools and non-capital losses and do not represent an estimate of the value at the business entity level, which may be materially different.

In accordance with applicable securities laws, the Company's independent reserves evaluator has used forecast prices and costs in estimating the reserves and future net cash flows as summarized herein. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for P&NG, curtailments or increases in consumption by P&NG purchasers, changes in governmental regulation or taxation and the impact of inflation and foreign exchange rates on costs. Reserves data is

based on judgments regarding future events; therefore, actual results will vary, and variations may be material.

The Company's reserves evaluator forecasts reserve volumes and future cash flows based upon current and historical well performance through to the economic production limit of individual wells. Notwithstanding established precedence and contractual options for the continuation and renewal of the Company's existing licence, sub-licence and marketing agreements, in many cases, the forecasted economic limit of individual wells is beyond the current term of the relevant agreements, and there is no certainty as to any renewal of the Company's existing production and marketing arrangements.

The estimation of proved reserves that may be developed and produced in the future may be based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas are estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves, and such variations could be material.

Actual production and cash flows derived from the Company's P&NG reserves will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities the Company intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation.

The reserve evaluation is effective as of a specific effective date and, except as may be specifically stated, has not been updated and therefore does not reflect changes in the Company's reserves since that date.

### **The Trinidad Exploration and Production Agreements**

The current exploration and production licences, LOAs, EPSC and joint operating agreements with respect to Touchstone's properties contain significant obligations on the part of the Company's subsidiaries including minimum work commitments which, upon a continuing default, may give rise to the termination of the Company's operatorship interest therein. There are no assurances that all of these commitments will be fulfilled within the time frames allowed. As such, Touchstone may lose certain exploration and production rights on the licenced areas affected and may be subject to certain financial penalties that would be levied by Heritage, the MEEI, or the other parties thereto, as applicable. The current forms of licences and sub-licences, as applicable, may, in certain circumstances, be terminated at Heritage's or the MEEI's discretion and are subject to a defined term, and there is no certainty as to any renewal.

The Company is subject to relinquishment obligations under its MEEI exploration and production licences which oblige the Company to surrender certain proportions of its licenced areas and thereby reduce the Company's acreage. Additionally, the Company may be unable to drill all of its prospects or satisfy its minimum work commitments prior to relinquishment and may be unable to meet its obligations under the licences. Failure to meet such obligations may result in the suspension, revocation, or termination of licences, or the enforcement of parental guarantees, which could have a material adverse effect on the business.

### **Title Issues**

Touchstone holds its lease interests in Trinidad through MEEI exploration and production licences, private leases and Heritage operating agreements. Although title and legal reviews may be conducted prior to the acquisition of lease or licence interests or operating and other contractual rights, or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title or entitlement will not arise to defeat Touchstone's claim which could result in a reduction of any P&NG sales to be received by the Company. No assurance can be given that applicable governments will not revoke, or significantly alter the conditions of, the applicable exploration and development authorizations and that such exploration and development authorizations will not be challenged or impugned by third parties. There

is no certainty that such rights or additional rights applied for will be granted or renewed on terms satisfactory to the Company. There can be no assurance that claims by third parties against Touchstone or any of its subsidiaries will not be asserted at a future date. Any challenges may have a material adverse effect on its business, financial conditions, results of operations and prospects.

The assignment of working interests under the exploration and production contracts in the jurisdictions in which the Company operates is a detailed and time-consuming process. The Company's properties may be subject to unforeseen surface and subsurface title claims. The Company will diligently investigate title to all properties and will follow usual industry practice in obtaining satisfactory title opinions. To the best of the Company's knowledge, title to all of Touchstone's core properties are in good standing; however, this should not be construed as a guarantee of title. Title to the properties may be affected by undisclosed and undetected defects. The Company does not warrant title to its P&NG properties.

## **Project Risks**

Touchstone manages a variety of projects in the conduct of its business. Project interruptions may delay expected P&NG production and sales therefrom. Significant project cost overruns could make a project uneconomic. The Company's ability to execute projects and to produce P&NG depends upon numerous factors beyond its control, including: availability of facility equipment and related supplies; availability of processing capacity; availability and proximity of pipeline capacity; availability of storage capacity; effects of inclement and severe weather events, including fire and flooding; availability of drilling and related equipment and supplies; unexpected cost increases; accidental events; currency fluctuations; regulatory changes; availability and productivity of skilled labour; and regulation of the oil and natural gas industry where it operates. Additionally, some of the equipment is specialized and may be difficult to obtain in the Company's area of operations, which could hamper or delay operations and could increase the cost.

If cash from operating activities and funds from external financing sources are not sufficient to cover the Company's capital expenditure requirements, the Company may be required to reallocate available capital among its projects or modify its capital expenditure plans, which may result in delays to, or cancellation of, certain projects or deferral of certain capital expenditures. Any change to the Company's capital expenditure plans could, in turn, have a material adverse effect on its growth objectives and its business, financial position and results of operations. Because of these factors, the Company could be unable to execute projects on time, on budget, or at all.

## **Security**

Trinidad and Tobago has historically experienced significant security challenges, including high rates of violent crime and activity related to illicit trafficking. These systemic issues remain a priority for the GOTT. The Company's personnel, contractors, and physical assets are subject to risks of theft, vandalism, and violence. While Touchstone maintains insurance coverage at levels it considers consistent with industry practice, such insurance may not cover all types of criminal incidents or the full extent of business interruption losses resulting from security breaches.

The Company's geographically dispersed assets, including wellheads, flowlines, processing facilities and midstream infrastructure, are vulnerable to sabotage or tampering. Any intentional damage to this infrastructure could lead to:

- Production shut-ins: Reduced production would negatively impact cash from operating activities and may prevent the Company from meeting its minimum supply obligations;
- Environmental liability: Spills or leaks resulting from the theft of valves or the cutting of pipelines (similar to the gathering line incident in June 2022); and
- Increased security costs: The requirement for 24-hour manned security or advanced electronic surveillance, which would increase the Company's unit operating costs.

Touchstone believes that maintaining a strong "social license to operate" is a critical component of its security strategy. Through established social programs and community engagement, the Company seeks to mitigate local grievances that can lead to operational blockades or civil unrest. However, there is no assurance that these programs will prevent all disruptions. Any deterioration in the relationship between the Company and the local communities in which it operates could result in work stoppages, litigation, or regulatory delays that may adversely affect the Company's financial condition.

Beyond direct operational risks, the perception of overall security in Trinidad can influence foreign direct investment and national economic growth. If crime rates continue to rise or the perception of safety deteriorates, the resulting economic slowdown in Trinidad could lead to reduced domestic demand for energy or fiscal instability within the GOTT, indirectly affecting the Company's results of operations.

### **Permits, Licences and Leases**

Significant parts of the Company's operations require permits, licences and leases from various governmental authorities and landowners in Trinidad. There can be no assurance that the Company will be able to obtain all necessary permits, licences and leases that may be required to conduct exploration, development and marketing activities. If the present permits, licences and leases are terminated or withdrawn, it may result in immediate associated abandonment and reclamation obligations, and such event could have an adverse negative effect on the Company's operations, financial condition, business and prospects.

### **Royalty Regimes**

Governments in the jurisdictions in which Touchstone has assets may adopt new royalty regimes, or modify the existing royalty regimes, which may impact the economics of the Company's projects. An increase in royalties will affect the Company's financial condition and could make future capital investments, or the Company's operations, less economic. See the "*Industry Conditions - Royalties*" section herein for further information.

### **Income Taxes**

The Company and its subsidiaries file all required income tax returns on a timely basis, and the Company believes that it is in full compliance with applicable Canadian, Trinidadian, and Barbadian income tax laws in all material respects; however, such returns are subject to reassessment by applicable taxation authorities. In the event of a successful reassessment of the Company's income tax filings, whether by re-characterization of capital expenditures, questioning transfer pricing practices or the deductibility of expenses or otherwise, such reassessment may have an impact on current and future income taxes payable. Income tax laws relating to the oil and natural gas industry, such as the treatment of oil and gas taxation, dividends, capital expenditures, share repurchases or capital gains, may in the future be changed or interpreted in a manner that adversely affects the Company. Furthermore, tax authorities having jurisdiction over the Company may disagree with how the Company calculates net income for taxation purposes or could change administrative practices to the Company's detriment. Any change to the income tax rates in Trinidad or other jurisdictions where the Company may initiate operations may have a material adverse effect on Touchstone's financial position and business prospects. See the "*Industry Conditions - Income Taxes*" section herein for further information.

### **Global Trade Policy and Tariff Risk**

The Company's operations and financial performance may be adversely affected by changes in international trade policies, including the imposition of tariffs, quotas, or other trade barriers. Specifically, any changes U.S. trade policy regarding energy imports or steel and machinery exports could increase the Company's capital costs for critical infrastructure. As the Company relies on specialized drilling equipment and complex processing components - some of which is sourced or staged through North American supply chains - the imposition of new tariffs could lead to significant unbudgeted capital expenditure increases.

Furthermore, as a portion of the Company's natural gas production is linked to international LNG pricing benchmarks (such as JKM and NBP), global trade disputes that impact the flow of energy commodities could result in increased price volatility or reduced market access for Trinidadian LNG exports. Retaliatory trade restrictions or the implementation of carbon-border adjustment mechanisms by major importing blocs could disadvantage Trinidadian-sourced energy, potentially reducing the netback realized by the Company.

The risk of a global trade conflict persists as many nations have enacted or threatened to enact protectionist measures. Such a conflict could significantly impact global economic growth, leading to reduced demand for oil and natural gas and a corresponding decline in commodity prices. Additionally, trade-related disruptions to global supply chains may increase lead times for essential equipment, delaying the Company's development programs. Any sustained decline in demand or rising costs could affect project returns and future development decisions, potentially having a material adverse effect on the Company's financial condition and results of operations.

### **Corporate and Regulatory Formalities**

Acquiring interests and conducting P&NG operations in Trinidad require compliance with numerous procedures and formalities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management of the Company is unable to predict the effect of additional and/or modification of corporate and regulatory formalities that may be adopted in the future including whether any such laws or regulations would materially increase Touchstone's cost of doing business or affect its operations in any area. Upstream P&NG operations, including exploration, production, pricing, royalties, taxes, marketing and transportation, are subject to extensive controls and regulations imposed by various levels of government in Trinidad, which may be amended from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for oil and natural gas and increase costs, either of which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The operations of the Company's subsidiaries may require licences or permits from various governmental authorities. In addition, obtaining certain approvals from regulatory authorities can involve, among other things, stakeholder and landowner consultation, environmental impact assessments and public hearings. Regulatory approvals obtained may be subject to the satisfaction of certain conditions including, but not limited to, guarantee obligations, ongoing regulatory oversight of projects, mitigating or avoiding project impacts, environmental and habitat assessments and other commitments or obligations. There can be no assurance that the Company or any of its subsidiaries will be able to obtain all necessary licences and permits that may be required to conduct exploration and development at any of the Company's projects within the time frame or on terms and conditions acceptable to Touchstone. Any failure to renew, maintain or obtain the required permits, licences, registrations, approvals and authorizations or the revocation or termination of the aforementioned may disrupt the Company's operations. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for P&NG products and increase the Company's costs, either of which may have a material adverse effect on its business, financial condition, results of operations and prospects.

Governments may regulate or intervene with respect to exploration and production activities, prices, taxes, royalties and the exportation of P&NG. Amendments to these controls and regulations may occur from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for P&NG and increase the Company's costs, either of which may have a material adverse effect on its business, financial condition, results of operations and prospects. In order to conduct oil and natural gas operations, the Company will require licences from various governmental authorities. There can be no assurance that Touchstone will be able to obtain all of the licences and permits that may be required to conduct operations that it may wish to undertake.

## **Availability of Drilling Equipment and Reliance on Third-Party Operators**

P&NG exploration, development and operating activities are dependent on the availability and cost of drilling, completions and related equipment (typically leased or contracted from third parties), as well as skilled and trained personnel in the particular areas where such activities will be conducted. Demand for or increase in the cost of such limited equipment and skilled personnel or access restrictions may affect the availability of such equipment and skilled personnel to the Company and may delay exploration and development activities.

Additionally, water is essential for the Company's drilling operations. Reduced availability due to drought or other weather-related events have a material adverse effect on Touchstone's business, financial condition, results of operations and prospects and financial condition.

To the extent that the Company's subsidiaries are not the operators of any P&NG properties, the Company will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

## **Inflation and Cost Management and Interest Rates**

Touchstone's operating expenses could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs and additional government intervention through stimulus spending, tariffs or additional regulations. The Company's inability to manage costs and secure the services and equipment necessary for its operations for the expected price, on the expected timeline, or at all, may impact project returns and future development decisions and subsequently may have a material adverse effect on its financial performance and cash flows.

The cost or availability of P&NG field equipment may adversely affect the Company's ability to undertake exploration, development and construction projects. The Trinidad onshore upstream oil and natural gas industry is relatively small in scale and may be prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects, and construction materials. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to the Company's operations for the expected price, on the anticipated timeline, or at all, may have an adverse effect on the Company's financial performance and cash flows.

In addition, many central banks, including the Bank of Canada and U.S. Federal Reserve, have taken steps to raise interest rates in an attempt to combat inflation, following by modest lowering of interest rates as inflation concerns stabilize. Any rise in interest rates impact the Company's future borrowing costs. Any increase in borrowing costs, and the volatility of interest rates in the future, may impact project returns and future development decisions, which could have a material adverse effect on the Company's financial performance and operating cash flows. Rising interest rates could also result in a recession in Canada, the United States or other countries. A recession may have a negative impact on demand for oil and natural gas, causing a decrease in commodity prices. A decrease in commodity prices would immediately impact Touchstone's petroleum and natural gas revenues and operating cash flows and could also reduce capital activity.

An increase in interest rates would result in the Company's financing expenses increasing pursuant to the Loan Agreement, which could have an adverse effect on its ability to execute certain projects, results of operations and financial condition. Finally, if Touchstone incurs new debt in the future to fund working capital, capital projects or acquisitions, the prevailing interest rates and spreads at any specific time could be less favorable in terms of cost, which could adversely affect the Company's financial condition and results of operations.

## **Cost of New Technologies**

The P&NG industry is characterized by rapid and significant technological advancements and the introduction of new products and services utilizing new technologies that may increase the viability of reserves or reduce operating expenses. Other upstream P&NG companies may have greater financial, technical and personnel resources that allow them to implement and benefit from such technological advantages before Touchstone. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis, at an acceptable cost and/or successfully. In addition, one or more of the technologies currently utilized by Touchstone or implemented in the future may become obsolete. If the Company is unable to utilize the most advanced commercially available technology, or is unsuccessful in implementing certain technologies, its business, financial condition and results of operations could be adversely affected in a material manner.

## **Abandonment and Reclamation Cost Risk**

The Company is subject to oil and natural gas asset abandonment, remediation and reclamation liabilities for its operations including those imposed by regulations and legislation in the jurisdictions in which the Company conducts operations. The Company maintains estimates of abandonment, remediation and reclamation liabilities; however, it is possible that these costs may change materially before decommissioning due to regulatory changes, technological changes, acceleration of decommissioning timelines, and inflation, among other variables. Obligations are estimated by Management based on the Company's net ownership interest in all wells, pipelines and facilities, estimated costs to reclaim and abandon these wells, pipelines and facilities, and the estimated timing of the costs to be incurred in future periods. These costs may arise as a result of applicable law or regulation, the terms of the Company's licences, the Company's internal HSE policies or industry best practice. Costs of abandonment and restoration could be significantly higher than anticipated. The present value cost for decommissioning and abandonment of wells and facilities is estimated based on known regulations, procedures and costs today for undertaking decommissioning, the majority of which is projected to be incurred subsequent to 2032.

## **Insurance**

Touchstone's involvement in the exploration for and development of P&NG may result in the Company becoming subject to liability for pollution, blow-outs, property damage, personal injury or other related hazards. In accordance with industry practice, the Company may not be fully insured against all business interruption of these risks, nor are all such risks insurable. Although the Company maintains liability insurance in an amount that the Company considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Touchstone could incur significant costs that could have a material adverse effect upon the Company's financial condition. In addition, such risks may not in all circumstances be insurable, or in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums and/or deductibles associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations and prospects. Furthermore, insurance is purchased from a number of third-party insurers, often in layered insurance arrangements, some of whom may discontinue providing insurance coverage for their own policy or strategic reasons. Should any of these insurers refuse to continue to provide insurance coverage, the Company's overall risk exposure could be increased and could incur significant costs.

## **Labour Relations**

The Company currently operates in Trinidad, which has large state sponsored or owned oil and natural gas companies that have traditionally employed unionized personnel. Touchstone believes that all of its operations have, in general, good relations with its employees and third-party contractors. However, employment is an area which has the capacity to give rise to significant legal risk, particularly because of the significant degree of legislation and regulations. Industrial action affecting Touchstone's projects may

result in project delays or an increase in costs. Industrial action or threatened industrial action from Touchstone's employees or contractors may have a material adverse impact on the development of the Company's projects and the financial position and prospects of the Company.

The Company cannot provide assurances that social instability or labour disruption will not be experienced in the future. The potential impacts of future social instability, labour disruptions and any lack of public order may have on the oil and natural gas industry in Trinidad, and on the Company's operations in particular, are not known at this time. This uncertainty may affect operations in unpredictable ways, including disruptions of fuel supplies and markets, ability to move equipment such as drilling and workover rigs from site to site, or disruption of infrastructure facilities, including pipelines, production facilities and public roads which could be targets or experience collateral damage as a result of social instability, labour disputes or protests. Touchstone may suffer loss of production or be required to incur significant costs in the future to safeguard its assets against such activities, incur standby charges on stranded or idled equipment or to remediate potential damage to its facilities. There can be no assurance that the Company will be successful in protecting itself against these risks and the related financial consequences. Further, these risks may not in any part be insurable in the event Touchstone does suffer damage.

### **Middle Eastern Conflicts**

The Middle East is currently experiencing a period of unprecedented military escalation. Following the events of October 7, 2023, the conflict evolved into a full-scale regional war. On February 28, 2026, a joint military operation led by the U.S. and Israel targeted Iranian leadership, nuclear facilities, and military infrastructure. This has resulted in the assassination of top Iranian officials and has triggered widespread retaliatory strikes across the region.

The ongoing hostilities have fundamentally disrupted the global economy and energy markets. As of March 2026, the Strait of Hormuz, a chokepoint for approximately 20 percent of global oil and LNG trade, is effectively closed to commercial shipping due to active hostilities. Retaliatory strikes have targeted energy infrastructure in Saudi Arabia, the UAE, and Qatar. While these events have not directly impacted Touchstone's physical assets in Trinidad, the resulting supply shock has caused a material surge in global oil and LNG prices, introducing extreme volatility into the Company's financial forecasting and budgeting. Any sustained escalation that leads to a broader regional war could result in a "risk premium" on global commodity prices that may be offset by global inflationary pressures.

### **Russia-Ukraine War**

The ongoing military conflict between Russia and Ukraine continues to cause major disruptions in global energy trade and significant commodity price volatility. As of early 2026, the structural shift away from Russian hydrocarbons in Europe has become a permanent feature of the market. Canada, the United Kingdom, the U.S., and the European Union maintain extensive sanctions on the Russian energy sector.

While Touchstone does not conduct business with sanctioned entities and has no direct operations in the affected regions, the Company is indirectly impacted by the resulting global competition for non-Russian oil and natural gas. The increased demand for LNG in Europe has fundamentally altered the pricing dynamics for Trinidadian LNG exports. However, the duration of the war and the potential for further escalations remain unpredictable and could have material adverse effects on global financial markets, the world economy, and the Company's results of operations.

### **Risks Associated with Geographically Concentrated Operations**

All of the Company's production is derived from onshore properties located in Trinidad. As a result of this asset concentration, the Company may be disproportionately exposed to the impact of, among other things, regional supply and demand factors including delays or interruptions of production from wells in these areas caused by governmental regulation, community protests, union activities, processing or transportation capacity constraints, continued authorization by the government to explore and drill in these areas, severe weather events and the availability of drilling rigs and related equipment, facilities, personnel or services.

Due to the concentrated nature of the Company's portfolio of properties, a number of the Company's properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on its results of operations than it might have on other companies that have a more diversified portfolio of properties. Any delay or inability to secure the required personnel, equipment, power, services and other resources could result in P&NG production volumes being below the Company's forecasted production volumes. In addition, any such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on Touchstone's financial position.

The Company relies on local infrastructure and the availability of transportation for storage and shipment of its products. This infrastructure, including storage and transportation facilities, is less developed than that in North America and may be insufficient for the Company's needs at commercially acceptable terms in Trinidad. The Company operates in remote areas and solely relies on third-party trucking for liquids transportation. This sole transportation method may result in increased levels of risk and could lead to operational delays which could affect the Company's ability to produce and market crude oil and liquids or may lead to increased risk of accidents, both of which could have a significant impact on the Company's results of operations. Additionally, some equipment is specialized and may be difficult to obtain in the Company's areas of operations, which could hamper or delay operations and could increase the cost of those operations.

### **Canada Anti-Greenwashing Rules**

Amendments to the *Competition Act* introduced in June 2024 prohibit companies from making false or misleading environmental claims. The new rules are complex and uncertain and initially led many companies to suspend voluntary sustainability reporting. While private rights of action for greenwashing came into effect in June 2025, *Budget 2025 Implementation Act, No. 1* subsequently removed this access and clarified substantiation requirements to address unintended consequences. Despite these improvements, the regulatory landscape continues to evolve and penalties for non-compliance remain significant, including up to the greater of \$10 million for a first order, \$15 million for subsequent orders, or 3 percent of global annual revenues. Companies making voluntary environmental disclosures face ongoing risk of liability and reputational harm.

In response, the Company has elected not to publish the results of its ESG metrics. Failure to disclose the results of its ESG initiatives could adversely affect Touchstone's reputation and ability to attract capital and insurance coverage.

### **Climate and ESG Goals and Targets**

The Company has set achievable internal goals and targets for ESG including reducing natural gas venting, operational GHG emissions and wastewater discharge.

ESG goals and targets depend significantly on Touchstone's ability to execute its current business strategy, which can be impacted by the numerous risks and uncertainties associated with the business and the industry in which the Company operates, as outlined herein. The Company recognizes that the ability to adapt to and succeed in a lower-carbon economy will be measured against its peers. Investors and stakeholders increasingly compare companies based on ESG-related performance, including climate-related performance. Failure to achieve ESG goals and targets, or a perception among key stakeholders that the ESG goals and targets are insufficient or unattainable, could adversely affect Touchstone's reputation and ability to attract capital and insurance coverage. There is also a risk that some or all of the expected benefits and opportunities of achieving the various ESG goals and targets may fail to materialize, may cost more to achieve or may not occur within the anticipated time periods. In addition, there are risks that the actions taken in implementing Touchstone's goals and targets relating to ESG may have a negative impact on the Company's existing business and increase capital expenditures, which could have a negative impact on the future operating and financial results. Further, a failure or delay in achieving the targets may influence the Company's reputation with its stakeholders and impact recruitment initiatives.

To achieve these goals and to respond to changing market demand, Touchstone may incur additional costs and invest in new technologies and innovation. It is possible that the return on these investments may be less than expected, which may have an adverse effect on the Company's business, financial condition and reputation. The ability to meet these goals and targets are subject to numerous risks and uncertainties, and actions taken in implementing them may also expose Touchstone to certain additional and/or heightened financial and operational risks. Furthermore, any future long-term goals and targets are inherently less certain due to the longer time frame and certain factors outside of the Company's control, including the commercial application of future technologies that may be necessary to achieve them, and future cooperation with regulators. A reduction in GHG emissions relies on, among other things, the ability to develop, access and implement commercially viable and scalable emission reduction strategies and related technology and products. If Touchstone is unable to implement these strategies and technologies as planned without negatively impacting expected operations or cost structures, or such strategies or technologies do not perform as expected, the Company may be unable to meet its goals or targets on the current timelines, or at all.

In addition, these goals and targets rely on a stable regulatory framework and will require capital expenditures and Company resources, with the potential that actual costs may differ from the original estimates and the differences may be material. Furthermore, the cost of investing in emissions-reduction technologies and the resultant change in the deployment of resources and focus could have a negative impact on future operating and financial results.

### **Information Technology ("IT") Systems and Cyber-Security**

The Company has become increasingly dependent upon the availability, capacity, reliability and security of its IT infrastructure and its ability to expand and continually update this infrastructure to conduct daily operations. Touchstone depends on various IT systems to estimate reserve quantities, process and record financial data, manage its land base, manage financial resources, analyze seismic information, manage well drilling, administer contracts with operators and communicate with employees, consultants, securityholders, other stakeholders, regulators and other third parties.

In the event the Company is unable to regularly deploy software and hardware, upgrade effective systems and network infrastructure, and take other steps to maintain or improve the efficiency of systems, the operation of such systems could be interrupted or result in the loss, corruption, or release of data. In addition, information systems could be interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, cyber-attack, cyber-fraud, malicious code, attacks by third parties or insiders, physical or electronic security breaches, intentional or inadvertent user misuse or error, or similar events or disruptions. Furthermore, some of these risks may be exacerbated if the Company is required to move back to remote working in response to future pandemic health regulations. Any of these or other events could cause interruptions, delays, loss of critical or sensitive data or similar effects, which could have a material adverse impact on the protection of intellectual property, confidential and proprietary information, and on Touchstone's business, reputation, financial condition, and results of operations.

In addition, cyber-phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, credit card detail and money by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If the Company becomes a victim to a cyber-phishing attack, it could result in a loss or theft of the Company's financial resources or critical data and information or could result in a loss of control of the Company's technological infrastructure or financial resources. The Company's employees are frequent targets of such phishing attacks by parties using fraudulent emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to the Company's systems.

Increasingly, social media is used as a vehicle to conduct cyber-phishing attacks. Information posted on social media sites, for business or personal purposes, may be used by attackers to enter the Company's systems and obtain confidential information. Although the Company has a social media governance policy that aligns with its confidentiality, business code of conduct and ethics policies, it does not restrict the social

media access of employees. Despite these efforts, as social media continues to grow in influence and access to social media platforms becomes increasingly prevalent, there are significant risks that the Company may not be able to properly regulate social media use and preserve adequate records of business activities conducted through the use of social media platforms.

Although the Company believes it has industry-accepted security measures and controls in place as well as education and training programs for its employees, all designed to mitigate these risks, these measures may not adequately prevent cyber-security breaches. A breach of its security measures and/or a loss of information or financial resources could occur, resulting in a loss of material and confidential information and reputation, breach of privacy laws and a disruption to its business activities. Any damages sustained may not be adequately covered by the Company's current insurance policies, or at all. The significance of any such event is difficult to quantify but may in certain circumstances be material and could have an adverse effect on the Company's business, financial condition and results of operations.

### **Information Technology and Artificial Intelligence ("AI")**

Touchstone relies on complex IT systems to manage operational data, financial reporting, and reservoir engineering. The increasing integration of AI in the energy sector presents both opportunities and risks. The Company may be exposed to sophisticated cyber-attacks enhanced by AI, including advanced phishing, "deepfake" communications, or automated network intrusions. If the Company utilizes AI or machine learning for seismic interpretation or drilling analytics, any inherent bias or inaccuracies in the underlying algorithms or data sets could lead to sub-optimal capital allocation or operational failures. A breach of the Company's cybersecurity protocols or a failure of its IT infrastructure could result in the loss of proprietary data, unauthorized access to financial records, and significant reputational damage. Additionally, improper use of AI may result in unauthorized disclosure of sensitive information or outputs that infringe copyrights, patents, or privacy rights. As legal and regulatory frameworks for AI remain uncertain, future compliance obligations could impose significant costs or limit the Company's ability to integrate AI tools.

### **Data Protection**

Protecting customer, employee, and company data is critical to the Company's business. Canada's regulatory environment for information security and privacy is becoming increasingly stringent, with evolving requirements and new legislation. Laws such as the *Personal Information Protection and Electronic Documents Act* mandate the secure destruction of documents to prevent identity theft and unauthorized disclosure of sensitive information.

A significant data breach could attract widespread media attention, damage customer relationships and Touchstone's reputation, and result in fines or legal action. Additionally, an increasing number of countries have introduced or strengthened comprehensive privacy laws, with further regulatory changes expected. Growing concerns over information security and government surveillance may lead customers to demand enhanced security measures or higher liability commitments under contracts.

In response to legislative changes and customer expectations, the Company may need to modify its operations to further strengthen data security. These adjustments could lead to increased costs, added operational complexity, and potential adverse effects on Touchstone's reputation, business, financial condition, and operational results.

### **Legal Systems**

The legal systems of Barbados and Trinidad are based on British common law, sharing a foundational legal heritage with Canada. This commonality provides a familiar and established framework for corporate governance, contract enforcement, and dispute resolution.

However, Trinidad may have less developed legal systems than jurisdictions with more established economies, which may result in risks such as: effective legal redress in the courts of such jurisdictions,

whether in respect of a breach of law or regulation or in an ownership dispute being more difficult to obtain; a higher degree of discretion on the part of governmental authorities; the lack of judicial or administrative guidance on interpreting applicable rules and regulations; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or relative inexperience of the judiciary and courts in such matters. In certain jurisdictions, the commitment of local businesspeople, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the leases, licences, permits, joint operation or venture agreements and marketing agreements, as applicable, for business. These may be susceptible to revision or cancellation, and legal redress may be uncertain or delayed. There can be no assurance that the leases, licences, permits, joint operation or venture agreements and marketing agreements, as applicable, the applications to government or other governing bodies with respect thereto or other legal arrangements will not be adversely affected by the actions of government authorities or others, and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

### **Foreign Subsidiaries**

Touchstone conducts all of its operations in Trinidad through foreign subsidiaries, and the Company's ability to obtain cash from them may be restricted. Therefore, to the extent of these holdings, the Company will be dependent on the cash from operating activities of these subsidiaries to meet its obligations and/or pay any future dividends, excluding any additional equity or debt Touchstone may issue from time to time. The ability of its subsidiaries to make payments and transfer cash to Touchstone may be constrained by, among other things: the level of taxation, particularly corporate profits and withholding taxes in the jurisdiction in which it operates; the introduction of foreign exchange and/or currency controls, repatriation restrictions or the availability of hard currency to be repatriated; and contractual restrictions with third parties. Currently there are no restrictions on the repatriation of net earnings from Trinidad and Barbados to foreign entities; however, there is limited amounts of US\$ that can be purchased in Trinidad. There can be no assurance that restrictions on repatriation of net earnings from Trinidad or Barbados will not be imposed in the future. Any such changes could have an adverse effect on the Company's business, financial condition and results of operations.

### **Corruption and Liabilities Under Anti-Bribery Laws**

The Company's operations are governed by the laws of jurisdictions which generally prohibit bribery and other forms of corruption. The Company has policies in place to prevent any form of corruption or bribery, which includes enforcement of policies against giving or accepting money or gifts in certain circumstances and an annual certification from each employee confirming that each employee has received and understood the Company's anti-corruption policies. It is possible that the Company, some of its subsidiaries, or some of the Company or its subsidiaries' employees or contractors could be charged with bribery or corruption as a result of the unauthorized actions of employees or contractors. If the Company is found guilty of such a violation, which could include a failure to take effective steps to prevent or address corruption by its employees or contractors, the Company could be subject to onerous penalties and reputational damage. A mere investigation itself could lead to significant corporate disruption, high legal costs and forced settlements, such as the imposition of an internal monitor. In addition, bribery allegations or bribery or corruption convictions could impair the Company's future ability to work with governments or non-governmental organizations. Such convictions or allegations could result in the formal exclusion of the Company from a country or area, national or international lawsuits, government sanctions or fines, project suspension or delays, a reduction in the price of the Common Shares and/or increased investor concern. Further, from time to time the Company may acquire a company that subsequently is subject to a bribery or corruption charge, whereby the Company could assume onerous penalties and/or suffer reputational damage as a result of activities in which the Company has no part.

The Company is subject to anti-bribery laws in Canada, the United Kingdom and Trinidad and may be subject to similar laws in other jurisdictions where it may operate in the future. The Company may face, directly or indirectly, corrupt demands by officials, tribal or insurgent organizations, international organizations, contractors looking for work with Touchstone, or private entities. As a result, the Company

faces the risk of unauthorized payments or offers of payments by employees, contractors, agents, and partners of its subsidiaries or affiliates, given that these parties are not always subject to the Company's absolute control or direction. It is the Company's policy to prohibit these practices. However, the Company's existing safeguards and any future improvements to those measures may prove to be less than effective or may not be followed, and the Company's employees, contractors, agents, and partners may engage in illegal conduct for which it might be held responsible. A violation of any of these laws, even if prohibited by the Company's policies, may result in criminal or civil sanctions or other penalties, including profit disgorgement, as well as reputational damage and could have a material adverse effect on the Company's business and financial condition.

## **Litigation**

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, income tax proceedings and legal actions related to, but not limited to, personal injuries, including resulting from exposure to hazardous substances, property damage, property tax, land and access rights, environmental issues, including claims related to contamination or natural resource damages, securities law matters, contractual disputes and employment matters. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined unfavourably to the Company and, as a result, could have a material adverse effect on Touchstone's assets, liabilities, business, financial condition and results of operations. Even if the Company prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of Management and key personnel from business operations, which could have an adverse effect on the Company's financial condition.

## **Commodity Price Risk Management**

From time to time, the Company may enter into financial agreements to receive fixed prices for its commodity production to mitigate the effect of commodity price volatility and to support the Company's capital budgeting and expenditure plans. However, to the extent that the Company engages in price risk management activities to protect itself from commodity price declines, it may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, the Company's risk management arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which: production falls short of the contracted volumes or prices fall significantly lower than projected; there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the risk management arrangement; the counterparties to the risk management arrangements or other price risk management contracts fail to perform under those arrangements; or a sudden unexpected event materially impacts commodity prices. Failure to protect against a decline in commodity prices exposes the Company to reduced liquidity when prices decline. A sustained lower commodity price environment would result in lower realized prices for unprotected volumes and reduce the prices at which the Company would enter into derivative contracts on future volumes. This could make such transactions unattractive, and, as a result, some or all of the Company's production volumes may not be protected by derivative arrangements.

## **Foreign Currency Risk Management**

Foreign currency exchange risk arises from changes in foreign exchange rates that may affect the fair value or future cash flows of the Company's financial assets or liabilities. The Company does not currently hedge its foreign exchange risk.

As Touchstone primarily operate in Trinidad, fluctuations in the exchange rate between the TT\$ and the US\$ could have a significant effect on financial results. Although the sales prices of crude oil and liquids are determined by reference to US\$ denominated benchmark prices, the majority of the invoices for such sales are paid in TT\$, exposing the Company to foreign exchange risk. To mitigate this risk, the Company attempts to match revenues received in TT\$ by entering into contracts denominated and payable in TT\$ when possible.

Touchstone also has foreign exchange risk regarding its US\$ denominated debt and related interest payments. These risks are mitigated by the fact that the TT\$ is informally pegged to the US\$ and all NGL and natural gas sales are denominated and payable in \$US. The Company has further foreign exchange exposure on cash balances denominated in C\$ and GBP, on head office costs denominated in C\$, and costs denominated and payable in GBP required to maintain its AIM listing. Any material movements in the C\$ to US\$ and the GBP to US\$ exchange rates may result in unanticipated fluctuations or have a material effect on the Company's reporting results.

In the future the Company may enter into agreements to receive currencies at a fixed price. Therefore, and as above with commodity price risk management, there are risks associated with any currency swap or foreign exchange derivative agreements, including credit risk associated with counterparties with which the Company may contract.

### **Interest Rate Risk**

Interest rate risk arises from changes in market interest rates that may affect the Company's comprehensive income and cash flows. The Company's revolving facility loan facility and two term loan facilities pursuant to the Loan Agreement are subject to interest rate risk given the applicable interest rates are set on an annual basis. An increase in interest rates could result in a significant increase in the amount the Company pays to service debt, resulting in a reduced amount of funds available to fund its exploration and development activities.

### **Third-Party Credit Risk**

The Company may be exposed to third-party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its production volumes, counterparties to the Company's derivative risk management contracts and other parties. In addition, the Company may be exposed to third-party credit risk from purchasers of assets from Touchstone for various liabilities, including well abandonment and reclamation obligations assumed by the purchasers. In the event such entities fail to meet their contractual obligations to the Company, such failures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is unable to predict changes in a counterparty's creditworthiness or ability to perform. Even if the Company accurately predicts the sudden changes, its ability to negate the risk may be limited depending upon market conditions and the contractual terms of the agreements, which could materially adversely affect the Company's financial and operational results. The Company is exposed to sole purchaser risk in Trinidad as Heritage is the sole purchaser of crude oil and liquids and NGC and a third-party LNG marketing company are the sole purchasers of natural gas production. Accordingly, Touchstone cannot rely on customer diversification to mitigate third-party credit risk for its sales of commodities.

Further, the Company historically has aged accounts receivables owing for Trinidad-based value added taxes ("VAT"). The Company's P&NG producing subsidiaries have VAT receivables owing from the GOTT based on operational and capital spending, which are not offset with any VAT collected given petroleum products are zero-rated goods. Although ultimate collection is erratic and therefore the timing thereof cannot be estimated with any certainty, the Company has not experienced any material past collection issues. However, there can be no assurance that the Company will collect future VAT receivables on a timely basis, which challenges Touchstone's forecasting process and liquidity and may delay certain capital projects. Further, there can be no assurance that VAT rates will not increase in the future, which would elevate amounts owing and could create material liquidity challenges.

### **Management of Growth**

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability to manage growth effectively requires implementing and improving its operational and financial systems and expanding, training and managing its employee base.

The Company's inability to manage future growth may have a material adverse effect on its business, financial condition, results of operations and prospects.

### **Price and Volume Volatility**

The market price of publicly traded securities of small cap international oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors related to the Company's performance could include variations in the Company's financial condition, results of operations, cash flow, and prospects. Factors unrelated to the Company's performance could include macroeconomics developments within Trinidad, the markets in which the Common Shares are traded, domestic and global commodity prices, current perceptions of the oil and natural gas industry, the availability and attractiveness of alternative investments, and the breadth of the public market for the securities.

Trading volume in Touchstone's Common Shares has historically been limited, with daily trading volumes varying significantly. The Common Shares may experience extreme price and volume volatility which may result in losses to shareholders. In recent years, the volatility of commodities has increased due, in part, to the implementation of computerized trading and decrease of discretionary commodity trading. In addition, institutions and government-sponsored entities have implemented investment strategies increasing their investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, decreasing their ownership in oil and natural gas entities which may impact the volatility and liquidity of certain securities and put downward pressure on the trading price of those securities, including the Common Shares. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in its operating results, financial condition, liquidity, debt levels, and other internal factors. The effect of these and other factors on the future market price of the Common Shares cannot be predicted with certainty.

The Common Shares are traded on the TSX in C\$ and traded on AIM in GBP. Fluctuations in the exchange rate between C\$ and other currencies, including the GBP, will affect the value of the Common Shares and any dividends the Company may declare in the future, denominated in the local currency of investors outside of Canada. Further, any future fundraising may be undertaken in C\$ or GBP, and there is therefore a potential foreign currency risk on transferring any proceeds into currencies required for the Company's activities, which is predominantly the US\$ and TT\$.

There can be no guarantee that the Common Shares will trade at the same price on both TSX and AIM due to different investor sentiments, liquidity levels, transaction costs, taxation rates, regulations or foreign exchange rates, particularly between Canada and the United Kingdom, the countries which host TSX and AIM, respectively. Additionally, TSX and AIM operate in different time zones, and news flow from external sources which affect the Company may be acted upon earlier by an investor on one market ahead of the other. The Company has engaged brokers in the United Kingdom to manage the migration of the Common Shares between the registers kept in Canada and the United Kingdom, but there can be no guarantee that this arrangement will eliminate all arbitrage opportunities between the Common Shares traded on TSX and AIM or that such procedures will be effective.

### **Dilution**

To finance future operations or acquisition opportunities, the Company may issue Common Shares or raise funds through the issuance of Common Shares or the issuance of debt instruments or securities convertible into Common Shares, which will be dilutive to shareholders. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

The Debenture is convertible into Common Shares at the option of the holder at a price of approximately US\$0.22 per share. If the market price of the Common Shares exceeds the conversion price, the holder is likely to exercise its conversion rights. Furthermore, the holder of the Debenture was issued detachable

Common Share purchase warrants. The issuance of Common Shares upon conversion or the exercise of warrants will result in the dilution of the equity interests of existing shareholders. Furthermore, the perception in the market that these conversions or exercises may occur could exert downward pressure on the trading price of the Common Shares.

In accordance with its shareholder approved long-term share-based compensation incentive plans, Touchstone may, from time to time, issue share-based awards to employees, officers, and directors for additional Common Shares issued from treasury in accordance with the policies of the TSX, which may also result in shareholder dilution.

If the Company offers to shareholders rights to subscribe for additional Common Shares or any right of any other nature, the Company will have discretion as to the procedure in making the rights available to shareholders. Touchstone may choose not to offer the rights to shareholders in certain jurisdictions where it is not legal to do so. The Company may also not extend any future rights offerings or equity issues to jurisdictions where it would be difficult or unduly onerous to comply with applicable securities laws.

Additionally, future sales of Common Shares into the public market may lower the market price which may result in losses to shareholders. With respect to TSX approved private placements, these Common Shares are typically freely tradable after a four-month and one-day restriction period. Sales of substantial amounts of Common Shares into the public market, or even the perception by the market that such sales may occur, may lower the market price of the Common Shares.

## **Dividends**

To date, the Company has not paid any dividends on the outstanding Common Shares. Any decision to pay dividends on the Common Shares will be made by the Board on the basis of Touchstone and its subsidiaries net income and financial performance, which, in turn, depends on the success of its production efforts, financial requirements, the implementation of its growth strategy, general economic conditions, current and expected future levels of net income, income taxes, current and potential future environmental liabilities, the need for funds to finance ongoing operations, fluctuations in commodity prices, interest rates and/or foreign exchange rates, the satisfaction of the liquidity and solvency tests imposed by applicable corporate law for the declaration and payment of dividends and other conditions existing at such time, many of which will be beyond the Company's control.

Additionally, because the parent undertaking is a holding company, its ability to pay dividends on the Common Shares is limited by restrictions on the ability of its subsidiaries to pay dividends or make distributions to the Company.

## **Internal Controls**

Effective internal controls are necessary for the Company to provide reliable financial reports and to prevent fraud. Although Touchstone will undertake a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian and United Kingdom securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Based on their inherent limitations, disclosure controls and procedures and internal controls over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If Touchstone or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and harm the trading price of the Common Shares.

## **Accounting Adjustments and Comprehensive Income**

The Company's accounting policies conform to IFRS which constitutes GAAP in Canada. The presentation of financial information in accordance with IFRS requires Management to apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in the Company's consolidated financial statements. The accounting policies may result in non-cash charges to comprehensive income and write-downs of net assets in the consolidated financial statements on a quarterly basis. Similarly, non-cash gains and reversals of previous asset write-downs may also be recorded from time-to-time. Income statement volatility resulting from such non-cash gains and losses may be viewed unfavorably by the market and could result in a decline in the price of the Common Shares.

## **Dependence on Management**

The Chief Executive Officer and executive officers of the Company are critical to its success. In the event of the departure of the Chief Executive Officer or an executive officer, Touchstone believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success. If the Company is not successful in attracting and retaining qualified personnel, the efficiency of its operations could be affected, which could have a material adverse impact on the results of operations and financial condition. Touchstone strongly depends on the business and technical expertise of its Management, and there is little possibility that this dependence will decrease in the near term.

## **Ability to Attract and Retain Qualified Personnel**

Recruiting and retaining qualified personnel are critical to the Company's success. The number of persons skilled in the acquisition, exploration, development and operation of P&NG properties in the jurisdictions in which the Company operates may be limited, and competition for such persons is intense. The loss of key members of such workforce, or a substantial portion of it, could result in the failure to implement the Company's business plans and subsequently may have a material negative effect on its business, financial condition and results of operations. In addition, the decline in market conditions and industry sentiment in recent years has resulted in a significant number of skilled personnel exiting the oil and natural gas industry and fewer people entering the industry. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operations of its business.

Contributions of the existing Management team to the immediate and near-term operations of Touchstone are likely to be of central importance. As the Company's business activity grows, it will require additional key financial, administrative, technical and operations staff, as necessary. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse impact on the Company's future results of operations, prospects and financial condition. In addition, the Company could experience increased costs to retain and recruit these personnel.

## **Competition**

The P&NG industry is competitive in all its phases. The Company will compete with numerous other participants in the exploration, development, production and marketing of P&NG. The Company's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Company, both within Trinidad, Canada and worldwide. Some of these companies not only explore for, develop and produce oil and natural gas, but also engage in refining operations and market third-party oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than the Company and less volatility in their net income.

The Company's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of P&NG include price, process, and reliability of delivery and storage. To a lesser extent, the Company also faces competition from companies that supply alternative sources of energy, such as wind or solar power. Other

factors that could affect competition in the marketplace include additional discoveries of domestic hydrocarbon reserves by Touchstone's competitors, the cost of production, and political, economic and other factors outside of the Company's control.

### **Reputational Risk Associated with the Company's Operations**

The Company's business, operations or financial condition may be negatively impacted as a result of any negative public opinion towards Touchstone or as a result of any negative sentiment toward, or in respect of, the Company's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Company operates as well as their opposition to certain P&NG projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions or even cancellations of operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences and increased costs and/or cost overruns. The Company's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the oil and natural gas industry, particularly other producers, over which the Company has no control. The Company's reputation could also be impacted by negative publicity related to environmental damage, loss of life, or injury or damage to property caused by the Company's operations. If the Company develops a reputation of having an unsafe work site, it may impact the ability of the Company to attract and retain the necessary skilled employees and consultants to operate its business. In addition, negative sentiment towards the Company could result in a lack of willingness of local authorities to grant the necessary licences or permits for the Company to operate its business and may also result in residents in the areas where Touchstone is doing business opposing further operations in the area by the Company.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Company's reputation. Damage to the Company's reputation could result in negative investor sentiment towards the Company, which may result in limiting Touchstone's access to capital, increasing its cost of capital, and decreasing the price and liquidity of the Common Shares. There is no guarantee that the Company will be able to satisfy the concerns of any special interest groups or non-governmental organizations and attempting to address any such concerns may require Touchstone to incur significant and unanticipated time, capital and operating expenditures.

### **Forced or Child Labour in Supply Chains**

In May 2023, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* was passed and came into force on January 1, 2024 in Canada. Pursuant to the legislation, any company that is subject to the reporting requirements, including Touchstone, is required to conduct certain due diligence on its supply chains and to file an annual report. Further, in late 2024 the federal government signaled its intention to create a new and more onerous supply chain due diligence regime overseen by a new oversight agency, whereby reporting entities will be required to scrutinize their international supply chains for human rights risks and take action to resolve any such risks. While the Company is currently unaware of any forced or child labour in any of its supply chains, the increased scrutiny on the supply chains of companies could uncover the risk or existence of forced or child labour in a supply chain to which Touchstone has a connection, which could negatively impact the reputation of the Company.

### **Potential Conflicts of Interest**

There are potential conflicts of interest to which the directors and officers of the Company will be subject to in connection with the operations of the Company. Some of the directors and officers are or may become engaged in other oil and natural gas interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts of interest, if any, will be subject to and governed by the procedures and remedies prescribed under the ABCA. The directors and executive officers of the Company may not devote their time on a full-

time basis to the affairs of the Company. See the "*Interest of Management and Others in Material Transactions*" section of this AIF for further information.

### **Breach of Confidentiality**

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations or affairs of the Company. Although confidentiality agreements are generally signed by third parties prior to the disclosure of any confidential information, a breach could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

### **Diversification and Expansion**

The operations and expertise of the Company and its Management are currently focused primarily on P&NG production, exploration and development in Trinidad. Other companies have the ability to manage their risk by diversification; however, the Company lacks diversification in terms of the geographic scope of its business. As a result, factors affecting the industry or the regions in which it operates would likely impact the Company more acutely than if the Touchstone's business was more diversified. In the future, the Company may acquire or move into new industry-related activities or new geographical areas, may acquire different energy-related assets, and, as a result, may face unexpected risks or alternatively, significantly increase the Company's exposure to one or more existing risk factors noted herein, which may in turn result in the Company's future operational and financial conditions being adversely affected.

### **Forward-Looking Statements and Information May Prove Inaccurate**

Shareholders and prospective investors are cautioned not to place undue reliance on forward-looking statements and other future looking financial information. By their nature, forward-looking statements and information involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and Touchstone undertakes no obligation or intent to update any forward-looking statement or information 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 securities laws.

All forward-looking statements and information contained herein and in other documents of Touchstone are qualified by such cautionary statements. New factors emerge from time to time, and it is not possible for Management to predict all of such factors and to assess in advance the impact of each such factor on Touchstone's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements and information. Additional information on the risks, assumptions and uncertainties relating to forward-looking statements and information are found in this AIF in the "*Notes to Reader - Advisories - Forward-Looking Statements*" section.

## ADDITIONAL INFORMATION

Additional information regarding Touchstone may be found on the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and website ([www.touchstoneexploration.com](http://www.touchstoneexploration.com)). Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under our share-based compensation plans are provided in our information circular for the Company's most recent annual meeting of shareholders that involved the election of our Board of Directors. Additional financial information is provided in Touchstone's annual audited consolidated financial statements and the related management's discussion and analysis for our most recently completed financial year.

## APPENDIX A

### FORM 51-101F3 REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Touchstone Exploration Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented in Appendix "B".

The Reserves Committee of the Board of Directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on recommendation of the Reserves Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary, and the variations may be material.

Dated as of this 30<sup>th</sup> day of March 2026.

(signed) "Paul R. Baay"

Paul R. Baay  
President, Chief Executive Officer and Director

(signed) "Brian Hollingshead"

Brian Hollingshead  
Executive Vice President Engineering and Business  
Development

(signed) "Beverley Smith"

Beverley Smith  
Director and Chair of the Reserves Committee

(signed) "Kenneth R. McKinnon"

Kenneth R. McKinnon  
Chair of the Board of Directors

## APPENDIX B

### FORM 51-101F2 REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR

To the board of directors of Touchstone Exploration Inc. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2025. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2025, and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - \$000's)			
			Audited	Evaluated	Reviewed	Total
GLJ Ltd.	December 31, 2025	Trinidad	-	652,516	-	<b>652,516</b>

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.
8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Ltd., Calgary, Alberta, Canada, February 24, 2026

(signed) "Jodi L. Anhorn"

Jodi L. Anhorn, P. Eng.  
President and CEO

## APPENDIX C

### TOUCHSTONE EXPLORATION INC. AUDIT COMMITTEE MANDATE

#### Role and Objective

The Audit Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of Touchstone Exploration Inc. (the "**Corporation**") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited consolidated financial statements and other mandatory disclosure releases containing financial information of the Corporation.

The objectives of the Committee are as follows:

1. to assist directors in fulfilling their legal and fiduciary obligations (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
2. to oversee the audit efforts of the external auditors of the Corporation;
3. to maintain free and open means of communication among the directors, the external auditors, the financial and senior management of the Corporation;
4. to satisfy itself that the external auditors are independent of the Corporation; and
5. to strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

The function of the Committee is one of oversight of management and the external auditors in the execution of their responsibilities. Management is responsible for the preparation, presentation and integrity of the financial statements of the Corporation, maintaining appropriate accounting and financial reporting principles and policies and implementing appropriate internal controls and procedures. The external auditors are responsible for planning and carrying out a proper audit of the annual financial statements of the Corporation and reviewing the financial statements of the Corporation prior to their filing with securities regulatory authorities and other procedures.

#### Composition of the Committee

1. The Committee shall consist of at least three directors. The Board shall appoint one member of the Committee to be the Chair.
2. Each director appointed to the Committee by the Board must be independent. A director is independent if the director has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of the director's independent judgment. In determining whether a director is independent of management, the Board shall make reference to National Instrument 52-110 - *Audit Committees* or the then current legislation, rules, policies and instruments of applicable regulatory authorities.
3. Each member of the Committee shall be "financially literate". In order to be financially literate, a director must be, at a minimum, able to read and understand financial statements that present a breadth and complexity of accounting issues generally comparable to the breadth and complexity of issues expected to be raised by the Corporation's financial statements.

4. A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until their resignation.

### Meetings of the Committee

1. The Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Committee and whenever a meeting is requested by the Board, a member of the Committee, the auditors, or a senior officer of the Corporation. Meetings of the Committee shall correspond with the review of the quarterly financial statements and management discussion and analysis of the Corporation.
2. Notice of each meeting of the Committee shall be given to each member of the Committee. The auditors shall be given notice of each meeting of the Committee at which financial statements of the Corporation are to be considered and such other meetings as determined by the Chair and shall be entitled to attend each such meeting of the Committee.
3. Notice of a meeting of the Committee shall:
  - (a) be given orally, or in writing, including by e-mail;
  - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
  - (d) be given at least two days prior to the time stipulated for the meeting.
4. A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting.
5. A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee.
6. At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
7. A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
8. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the Secretary of the meeting.
9. The Chair of the Board, senior management of the Corporation and other parties may attend meetings of the Committee; however, the Committee (i) shall meet *in camera* with the external auditors independent of management as necessary, in the sole discretion of the Committee, but in any event, not less than quarterly; and (ii) may meet separately with management.
10. Minutes shall be taken of all meetings of the Committee and shall be made available to the Board. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.

## Duties and Responsibilities of the Committee

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting. The external auditors shall report directly to the Committee.
2. The Committee shall, in the exercise of its powers, authorities and discretion so authorized, conform to any regulations or restrictions that may from time to time be made or imposed upon it by the Board or the legislation, policies or regulations governing the Corporation and its business.
3. It is the responsibility of the Committee to satisfy itself on behalf of the Board that the Corporation's system of internal controls over financial reporting and disclosure controls and procedures are satisfactory for the purpose of:
  - (a) identifying, monitoring and mitigating the principal risks intended to be addressed by such controls and procedures;
  - (b) complying with the legal and regulatory requirements related to such controls and procedures; and
  - (c) reviewing with the external auditors their assessment of the internal controls over financial reporting and the disclosure controls of the Corporation, their written reports containing recommendations for improvement, and management's response and any follow-up to any identified weaknesses.
4. It is the responsibility of the Committee to review the annual financial statements of the Corporation and, if deemed appropriate, recommend the financial statements to the Board for approval. This process should include but not be limited to:
  - (a) reviewing and accepting/approving, if appropriate, the annual audit plan of the external auditors of the Corporation, including the scope of audit activities, and monitor such plan's progress and results during the year;
  - (b) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
  - (c) reviewing significant accruals, reserves or other estimates;
  - (d) reviewing the methods used to account for significant unusual or non-recurring transactions;
  - (e) reviewing compliance with covenants under loan agreements;
  - (f) reviewing disclosure requirements for commitments and contingencies;
  - (g) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
  - (h) reviewing unresolved differences between management and the external auditors;
  - (i) obtaining explanations of significant variances with comparative reporting periods;
  - (j) reviewing of business systems changes and implications;
  - (k) reviewing of authority and approval limits;
  - (l) reviewing the adequacy and effectiveness of the accounting and internal control policies of the Corporation and procedures through inquiry and discussions with the external auditors and management;
  - (m) confirming through private discussion with the external auditors and the management that no management restrictions are being placed on the scope of the external auditors' work;

- (n) reviewing of tax policy issues; and
  - (o) reviewing of emerging accounting issues that could have an impact on the Corporation.
5. It is the responsibility of the Committee to review the interim financial statements of the Corporation and, if deemed appropriate, to recommend the interim financial statements to the Board for approval and to review all prospectuses, management's discussion and analysis, annual information forms, and all other public disclosure containing significant audited or unaudited financial information before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and shall periodically assess the accuracy of those procedures.
6. The Committee shall have the authority to:
- (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
  - (b) discuss with the management and senior staff of the Corporation, its subsidiaries and affiliates, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;
  - (c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
  - (d) set and pay the compensation for any advisors employed by the Committee.
7. With respect to the appointment of external auditors by the Board, the Committee shall:
- (a) recommend to the Board the appointment of the external auditors;
  - (b) review the performance of the external auditors and make recommendations to the Board regarding the replacement or termination of the external auditors when circumstances warrant;
  - (c) oversee the independence of the external auditors by, among other things, if determined necessary, requiring the external auditors to deliver to the Committee, on a periodic basis, a formal written statement delineating all relationships between the external auditors and the Corporation and its subsidiaries;
  - (d) recommend to the Board the terms of engagement of the external auditors, including the compensation of the auditors and that the external auditors shall report directly to the Committee; and
  - (e) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
8. The Committee shall review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.
9. The Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by external auditors. The Committee may delegate to one or more members, the authority to pre-approve non-audit services, provided that the member reports to the Committee at the next scheduled meeting of such pre-approval and that the member complies with such other procedures as may be established by the Committee from time to time.
10. The Committee shall review the Corporation's risk management policies and procedures such as hedging, litigation and insurance, including an annual review of insurance coverage, and report to the Board with respect to its risk assessment process and appropriateness of risk management

policies and procedures in managing risk. While the Committee reviews such policies and procedures, the oversight of enterprise risks is retained by the Board.

11. The Committee shall establish and maintain procedures for and, if desired, also engage an independent service provider to assist with:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters, including the resolution of such complaints or concerns by management or, if warranted, by the Board.
12. The Committee shall review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.
13. The Committee shall periodically report the results of reviews undertaken and any associated recommendations to the Board.
14. The Committee shall oversee the Corporation's cybersecurity policies and procedures and regularly receive reports from management on its activities to protect the Corporation from cybersecurity risks.
15. The Committee shall review all related party transactions (as defined by applicable regulations) and ensure the nature and extent of such transactions are properly disclosed.
16. The Committee shall review the status of taxation matters of the Corporation and its major subsidiaries.
17. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at the expense of the Corporation without any further approval of the Board.
18. The Committee shall conduct or undertake such other duties as may be required from time to time by any applicable regulatory authorities.
19. The Committee shall review and assess, on an annual basis, the adequacy of this Mandate.

*Approved by the Board of Directors on March 30, 2026.*



## CORPORATE INFORMATION

### Directors

**Kenneth R. McKinnon**

*Chair of the Board*

**Paul R. Baay**  
**Bhupendra Kansagra**  
**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*

### Head Office

**Touchstone Exploration Inc.**

4100, 350 7th Avenue SW  
Calgary, Alberta, Canada  
T2P 3N9

### Registered Office

3700, 400 3rd Avenue SW  
Calgary, Alberta, Canada  
T2P 4H2

### Operating Office

**Touchstone Exploration  
(Trinidad) Ltd.**

Unit 416A, South Park Plaza  
Tarouba Link Road  
San Fernando, Trinidad, W.I.

### Stock Exchange Listings

**Toronto Stock Exchange**

**London Stock Exchange AIM**

Symbol: TXP

### Banker

**Republic Bank Limited**

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