

Touchstone Exploration Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2026 and 2025

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Touchstone Exploration Inc. ("Touchstone", "we", "our", "us" or the "Company") for the three and nine months ended September 30, 2026 with comparisons to the three and nine months ended September 30, 2025 is dated November 12, 2026 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2026 (the "interim financial statements"), as well as with the Company's audited consolidated financial statements as at and for the year ended December 31, 2025 (the "audited 2025 financial statements"), which are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com).

The interim financial statements have been prepared by the management team ("Management") of Touchstone in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS" or "GAAP"). The interim financial statements were approved by the Company's Board of Directors ("Board"). Accounting policies adopted by the Company are set out in the notes to the audited 2025 financial statements. This MD&A should also be read in conjunction with Touchstone's MD&A for the three months and year ended December 31, 2025, as disclosure which is unchanged from December 31, 2025 may not be duplicated herein.

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

The Company may also reference Canadian dollars ("C$") and Trinidad and Tobago dollars ("TT$") herein, which are the functional and operational currencies of the Company's parent company and operating subsidiaries, respectively. All production volumes disclosed herein are sales volumes and are based on Company working interest before royalty burdens. Certain prior year amounts have been reclassified to conform to the current year presentation. In cases where percentage (%) figures are provided, such percentages have generally been rounded to the nearest whole number and limited to increases or decreases of 150 percent.

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

About Touchstone Exploration Inc.

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

Financial and Operational Results Overview

	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
Operational						
Average daily production						
Crude oil[1] *(bbls/d)*	**837**	1,051	(20)	**932**	1,118	(17)
NGLs[1] *(bbls/d)*	**422**	436	(3)	**438**	230	91
Crude oil and liquids[1] *(bbls/d)*	**1,259**	1,487	(15)	**1,370**	1,348	2
Natural gas[1] *(Mcf/d)*	**19,354**	21,926	(12)	**18,926**	19,647	(4)
Average daily production *(boe/d)*[2]	**4,485**	5,142	(13)	**4,524**	4,622	(2)
Production mix *(% of production)*						
Crude oil and liquids[1]	**28**	29		**30**	29	
Natural gas[1]	**72**	71		**70**	71	
Average realized prices[3]						
Crude oil[1] *($/bbl)*	**74.33**	60.30	23	**74.75**	60.92	23
NGLs[1] *($/bbl)*	**46.35**	33.41	39	**43.95**	35.71	23
Crude oil and liquids[1] *($/bbl)*	**64.95**	52.42	24	**64.91**	56.62	15
Natural gas[1] *($/Mcf)*	**5.02**	2.74	83	**4.29**	2.61	64
Realized commodity price *($/boe)*[2]	**39.89**	26.84	49	**37.62**	27.59	36
Operating netback *($/boe)*[2][3]						
Realized commodity price	**39.89**	26.84	49	**37.62**	27.59	36
Royalty expense	**(8.82)**	(6.00)	47	**(8.86)**	(6.58)	35
Operating expense	**(8.49)**	(8.46)	-	**(8.60)**	(7.50)	15
Operating netback	**22.58**	12.38	82	**20.16**	13.51	49
Financial *($000's except per share amounts)*						
Petroleum and natural gas sales	**16,460**	12,696	30	**46,469**	34,816	33
Cash from operating activities	**5,933**	4,850	22	**13,959**	10,227	36
Funds flow from operations	**5,372**	735	n/m	**14,348**	4,748	n/m
Net income (loss)	**77**	(2,064)	n/a	**41**	(2,733)	n/a
Per share – basic and diluted	**0.00**	(0.01)	n/a	**0.00**	(0.01)	n/a
Capital expenditures[3]	**1,756**	9,602	(82)	**6,495**	20,934	(69)
Acquisition expenditures	**-**	-	n/a	**-**	28,400	(100)
Principal balance of bank debt				**48,518**	59,875	(19)
Principal balance of convertible debenture				**12,500**	12,500	-
Net debt[3]				**57,344**	77,753	(26)
Share Information *(000's)*						
Weighted avg. shares outstanding:						
Basic and diluted	**418,689**	261,097	60	**358,445**	248,914	44
Outstanding shares – end of period				**441,130**	261,097	69

Notes:

(1) In the table above and elsewhere in this MD&A, references to "crude oil" include the combined product types light and medium crude oil and heavy crude oil; references to "NGLs" refer to condensate and other natural gas liquids, consisting of propane and heavier NGL components; and references to "natural gas" refer to conventional natural gas, all as defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). References to "crude oil and liquids" include crude oil and NGLs. Refer to the "*Advisories - Product Type Disclosures*" section of this MD&A for further information.

(2) In the table above and elsewhere in this MD&A, references to "boe" mean barrels of oil equivalent that are calculated using the energy equivalent conversion method. Refer to the "*Advisories - Oil and Natural Gas Measures*" section of this MD&A.

(3) Specified or supplementary financial measure. Refer to the "*Advisories - Non-GAAP and Other Financial Measures*" section of this MD&A.

Third Quarter 2026 Highlights

- **Production:** Averaged 4,485 boe/d in the third quarter of 2026, a 1% increase from 4,433 boe/d in the second quarter of 2026, primarily due to the completion of the Cascadura facility compression project. Third-quarter production decreased 13% from 5,142 boe/d in the third quarter of 2025, primarily reflecting planned compressor maintenance and a well shut-in on the Central block, as well as lower crude oil volumes. Reported sales volumes were reduced by a 9,465-barrel (approximately 103 bbls/d) increase in crude oil inventory during the quarter, the majority of which was sold in October 2026.
- **Revenue and realized pricing:** Petroleum and natural gas sales totalled $16.46 million, a 30% increase from the $12.70 million recorded in the third quarter of 2025. The increase reflected a 49% increase in realized commodity price per boe, partially offset by a 13% decrease in sales volumes.
  - **Crude oil sales:** $5.73 million from average production of 837 bbls/d at an average realized price of $74.33 per barrel.
  - **NGL sales:** $1.80 million from average production of 422 bbls/d at an average realized price of $46.35 per barrel.
  - **Natural gas sales:** $8.94 million from average production of 19.4 MMcf/d (3,226 boe/d) at an average realized price of $5.02 per Mcf.
- **Operating netback:** Generated $22.58 per boe, an 82% increase from $12.38 per boe in the third quarter of 2025, primarily driven by higher realized prices across all products, partially offset by higher royalty expenses.
- **Funds flow from operations:** Increased to $5.37 million from $0.74 million in the third quarter of 2025, primarily driven by a $3.46 million increase in operating netback and lower general and administrative and current income tax expenses.
- **Net income:** Recorded net income of $0.08 million ($0.00 per basic and diluted share), compared to a net loss of $2.06 million ($0.01 per basic and diluted share) in the third quarter of 2025. The $2.14 million improvement primarily reflected a $4.64 million increase in funds flow from operations, partially offset by $2.50 million in non-cash items, primarily deferred income tax expense and the convertible debenture revaluation loss.
- **Capital expenditures**: Invested $1.76 million in the third quarter of 2026, primarily directed toward drilling the PS-623 crude oil development well, which was completed and brought on production in October 2026.
- **Net debt and deleveraging:** Reduced net debt by 17% from the prior quarter to $57.34 million at September 30, 2026. This reflected $3.55 million in bank debt principal repayments funded from operating cash flow and the repayment of the $8.4 million debenture issued in the June 2026 integrated financing, with the proceeds resubscribed for common shares, which eliminated the debenture obligation.

Liquidity and Going Concern

The Company's capital strategy is focused on maintaining a flexible financial structure to support its ongoing development programs and satisfy financial obligations. Management continues to monitor the Company's liquidity position to ensure that operating cash flows and working capital remain sufficient to support ongoing financial obligations, planned capital programs and future work commitments.

As at September 30, 2026, the Company reported a working capital deficit of $20.1 million. This included the $11.1 million carrying value of the convertible debenture maturing in August 2028, which is classified as a current liability solely due to the holder's conversion rights; any conversion would be settled in common shares. Excluding the convertible debenture, the adjusted working capital deficit was $9.0 million. As at September 30, 2026, the Company had cash of $8.1 million and long-term bank debt principal of $35.8 million, with its revolving credit facility fully drawn.

Management continues to execute initiatives to strengthen the Company's financial position and capital structure. Year-to-date accomplishments include closing the June 2026 integrated financing (the "Integrated Financing") that generated net proceeds of $10.2 million and realizing improved operating cash flows driven by higher commodity prices and stable production.

Touchstone has scheduled bank debt principal repayments of approximately $12.7 million over the next 12 months and continues to pursue recovery of approximately $12.0 million in outstanding value added tax ("VAT") receivables. While these initiatives have improved the Company's near-term liquidity position, its forecasted cash flows remain dependent on prevailing commodity prices, field production performance and the timing of capital programs, including certain discretionary development capital. Adverse movements in commodity prices, operational disruptions or delays in development activities, VAT recovery or work commitment restructuring could negatively affect the Company's ability to meet its debt obligations and other contractual commitments as they come due.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's interim financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The interim financial statements do not include any adjustments to the carrying values or classification of assets and liabilities, or to the reported amounts of revenues and expenses, that would be necessary should the going concern assumption prove to be inappropriate, and any such adjustments could be material. Refer to Note 1 "*Nature of Business - Going Concern*" of the interim financial statements for further information.

Touchstone's ability to continue as a going concern remains dependent on generating sufficient operating cash flows, executing its development work program, timely recovery of outstanding VAT receivables, sustained commodity prices, restructuring its minimum work commitments and, if necessary, executing additional financial or operational liquidity measures. Available measures include deferring discretionary capital expenditures, adjusting the timing of operating expenditures and pursuing amendments to, or refinancing of, its existing bank debt. There can be no assurance that these initiatives will be executed on terms acceptable to the Company or within the required timeframes.

Financial and Operational Results

Production Volumes

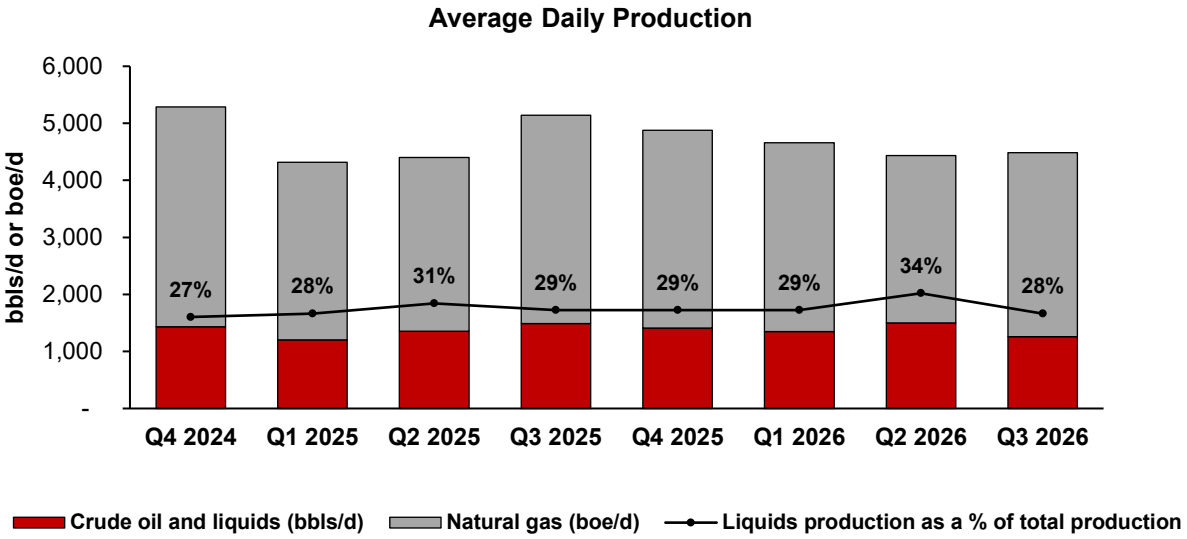
	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
Production						
Crude oil *(bbls)*	**77,040**	96,729	(20)	**254,571**	305,225	(17)
NGLs *(bbls)*	**38,815**	40,105	(3)	**119,486**	62,666	91
Crude oil and liquids *(bbls)*	**115,855**	136,834	(15)	**374,057**	367,891	2
Natural gas *(Mcf)*	**1,780,566**	2,017,185	(12)	**5,166,715**	5,363,664	(4)
Total production *(boe)*	**412,616**	473,031	(13)	**1,235,176**	1,261,835	(2)
Average daily production						
Crude oil *(bbls/d)*	**837**	1,051	(20)	**932**	1,118	(17)
NGLs *(bbls/d)*	**422**	436	(3)	**438**	230	91
Crude oil and liquids *(bbls/d)*	**1,259**	1,487	(15)	**1,370**	1,348	2
Natural gas *(Mcf/d)*	**19,354**	21,926	(12)	**18,926**	19,647	(4)
Average daily production *(boe/d)*	**4,485**	5,142	(13)	**4,524**	4,622	(2)
Production mix						
Crude oil and liquids *(%)*	**28**	29		**30**	29	
Natural gas *(%)*	**72**	71		**70**	71	

Total production averaged 4,485 boe/d in the third quarter of 2026, a 13 percent decrease from 5,142 boe/d in the third quarter of 2025. For the nine months ended September 30, 2026, production averaged 4,524 boe/d, a 2 percent decrease from 4,622 boe/d in the comparative period.

The third-quarter decrease primarily reflected lower natural gas production from the Central block due to planned booster compressor maintenance and the CR-3 well shut-in, and lower crude oil volumes. Crude oil volumes decreased due to natural declines across the Company's mature properties and a 9,465-barrel increase in crude oil inventory, the majority of which was sold in October 2026. Lower natural gas production at Coho and the divestment of non-core crude oil assets in the fourth quarter of 2025 also contributed to the decrease. These decreases were partially offset by production from two new infill wells on the WD-8 block. In addition, compression installed at Cascadura in July 2026 limited the third-quarter decline at that facility.

On a year-to-date basis, a full nine months of production from the Central block, acquired effective May 16, 2025, largely offset natural declines at Cascadura and across the Company's mature crude oil properties, as well as the third-quarter factors noted above.

The Company's production mix remained consistent, with natural gas representing 72 percent of total production in the third quarter of 2026 (2025 - 71 percent) and 70 percent for the nine months ended September 30, 2026 (2025 - 71 percent).



Crude oil production

Crude oil produced from the Company's properties is stored in tanks at individual well pads prior to being transported by truck to designated sales facilities connected to Heritage Petroleum Company Limited ("Heritage") pipeline infrastructure. The following table summarizes crude oil production volumes by property for the three and nine months ended September 30, 2026 and 2025.

Property *(bbls)*	**Three months ended September 30,**		% change	**Nine months ended September 30,**		% change
	2026	2025		**2026**	2025	
CO-1	**27,361**	37,589	(27)	**96,833**	112,087	(14)
WD-4	**26,552**	34,185	(22)	**86,199**	109,976	(22)
WD-8	**15,013**	10,572	42	**42,027**	34,992	20
Balata East	**5,796**	7,942	(27)	**19,807**	23,378	(15)
Cascadura	**1,576**	785	101	**6,826**	5,175	32
Other minor fields	**742**	5,656	(87)	**2,879**	19,617	(85)
Crude oil production	**77,040**	96,729	(20)	**254,571**	305,225	(17)

Crude oil production averaged 837 bbls/d in the third quarter of 2026, a 20 percent decrease from 1,051 bbls/d in the third quarter of 2025. For the nine months ended September 30, 2026, crude oil production averaged 932 bbls/d, a 17 percent decrease from 1,118 bbls/d in the comparative period.

The decrease primarily reflected natural production declines across the Company's mature properties, most notably CO-1 and WD-4, as no crude oil development wells were drilled in 2025. Reported volumes were also reduced by a 9,465-barrel increase in crude oil inventory during the third quarter, equivalent to approximately 103 bbls/d, the majority of which was sold in October 2026. In addition, production was lower following the divestment of certain non-core assets in the fourth quarter of 2025. These assets, previously reported within other minor fields, contributed approximately 49 bbls/d and 55 bbls/d in the three and nine months ended September 30, 2025, respectively.

These decreases were partially offset by two infill wells on the WD-8 block, FR-1835 and FR-1836. The wells were drilled in March and April 2026 and brought on production in May 2026. Through September 30, 2026, they produced field-estimated average rates of 32 bbls/d and 48 bbls/d, respectively. Cascadura crude oil production also increased following the installation of compression at the facility, which came online in July 2026.

NGL production

At the Cascadura facility, separated NGLs are stored on site and subsequently transported by truck to the Company's Balata East sales facility. The Central block facility separates NGLs from produced natural gas and is directly connected to a Heritage-operated sales pipeline. Additional NGLs are extracted from natural gas volumes processed at the Atlantic LNG facility and are included in Central block NGL production.

The following table summarizes NGL production volumes by property for the three and nine months ended September 30, 2026 and 2025.

Property *(bbls)*	**Three months ended September 30,**		% change	**Nine months ended September 30,**		% change
	2026	2025		**2026**	2025	
Cascadura	**1,195**	1,810	(34)	**3,880**	7,578	(49)
Central	**37,620**	38,295	(2)	**115,606**	55,088	110
NGL production	**38,815**	40,105	(3)	**119,486**	62,666	91

NGL production averaged 422 bbls/d in the third quarter of 2026, a 3 percent decrease from 436 bbls/d in the third quarter of 2025. For the nine months ended September 30, 2026, NGL production averaged 438 bbls/d, a 91 percent increase from 230 bbls/d in the comparative period.

The year-to-date increase reflected a full nine months of production from the Central block, which was acquired effective May 16, 2025. The 2025 comparative period included Central block volumes only from the acquisition date. Third-quarter Central block NGL production decreased 2 percent from the comparative period due to planned booster compressor maintenance and the CR-3 well shut-in. Cascadura NGL production decreased 34 percent and 49 percent for the three and nine-month periods, respectively, due to natural base declines. The decline was partially mitigated by incremental volumes following the installation of compression at the facility in July 2026.

Natural gas production

Natural gas volumes processed at the Cascadura facility are sold into a connected National Gas Company of Trinidad and Tobago ("NGC") sales pipeline. Volumes produced from the Coho field are delivered via an NGC-owned pipeline and processed at the Company's Central block facility. Natural gas processed at the Central block is either transported through the cross-island pipeline to the Atlantic LNG facility or sold domestically to NGC. Net natural gas volumes delivered to the Atlantic LNG facility custody transfer point may differ from the Company's share of LNG liftings in any given period.

The following table summarizes natural gas production volumes by property for the three and nine months ended September 30, 2026 and 2025.

Property *(Mcf)*	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
Cascadura	**862,475**	887,988	(3)	**2,155,896**	3,508,888	(39)
Central	**830,100**	994,154	(17)	**2,710,080**	1,420,542	91
Coho	**87,991**	135,043	(35)	**300,739**	434,234	(31)
Natural gas production	**1,780,566**	2,017,185	(12)	**5,166,715**	5,363,664	(4)

Natural gas production averaged 19.4 MMcf/d (3,226 boe/d) in the third quarter of 2026, a 12 percent decrease from 21.9 MMcf/d (3,654 boe/d) in the third quarter of 2025. For the nine months ended September 30, 2026, production averaged 18.9 MMcf/d (3,154 boe/d), a 4 percent decrease from 19.6 MMcf/d (3,275 boe/d) in the comparative period.

The third-quarter decrease primarily reflected lower production from the Central block, which averaged 9.0 MMcf/d (1,504 boe/d), a 17 percent decrease from the comparative period. The decrease was due to reduced rates during 16 days of planned booster compressor maintenance and the shut-in of the CR-3 well in August 2026. Coho production decreased 35 percent due to natural declines. Cascadura production was 3 percent lower than the third quarter of 2025 but increased approximately 55 percent from the second quarter of 2026. This followed the installation of compression at the facility in July 2026 to mitigate downstream pipeline pressure fluctuations and stabilize delivery rates.

On a year-to-date basis, the Central block, acquired effective May 16, 2025, contributed 9.9 MMcf/d (1,655 boe/d) for the full nine-month period in 2026. The 2025 comparative period included Central volumes only from the acquisition date. This increase was more than offset by lower production at Cascadura and Coho, which decreased 39 percent and 31 percent, respectively, due to natural well maturation.

Commodity Prices

	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
Avg. benchmark prices[1]						
Brent *($/bbl)*	**91.36**	68.13	34	**88.71**	69.94	27
WTI *($/bbl)*	**85.79**	64.93	32	**83.50**	66.70	25
Average realized prices[2]						
Crude oil (*$/bbl*)	**74.33**	60.30	23	**74.75**	60.92	23
NGLs (*$/bbl*)	**46.35**	33.41	39	**43.95**	35.71	23
Crude oil and liquids (*$/bbl*)	**64.95**	52.42	24	**64.91**	56.62	15
Natural gas *($/Mcf)*	**5.02**	2.74	83	**4.29**	2.61	64
Realized commodity price[2] *($/boe)*	**39.89**	26.84	49	**37.62**	27.59	36

Notes:
(1) Average of the daily closing prices. Source: GLJ Ltd.
(2) Supplementary financial measure. Refer to the "*Advisories - Non-GAAP and Other Financial Measures*" section of this MD&A.

Crude oil and liquids

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 sold to Heritage and subsequently exported for refining.

Crude oil and condensate are sold to Heritage at prices referenced to the Brent benchmark. Condensate consists of liquids separated from natural gas at the Company's Cascadura and Central block facilities.

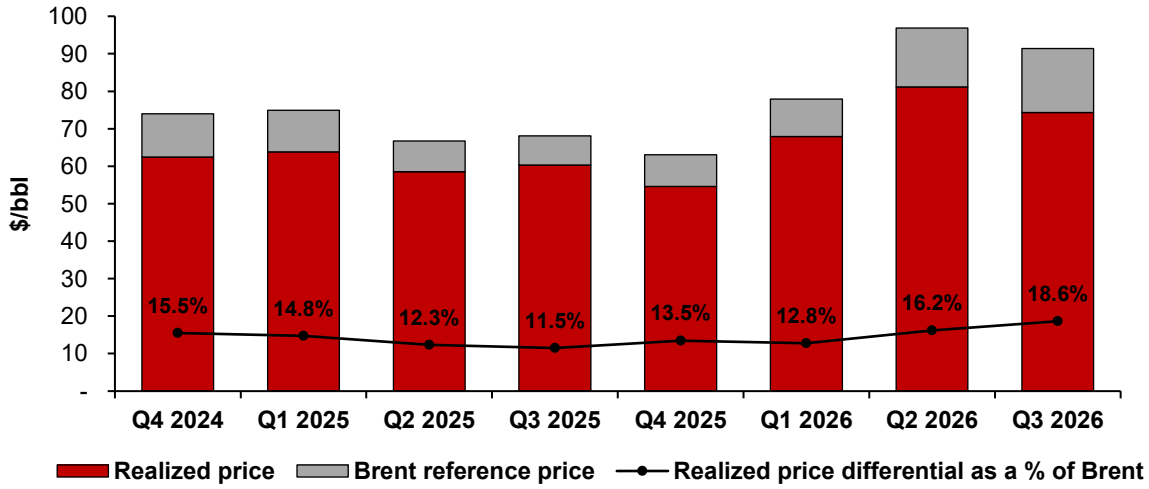
Central block condensate volumes were priced with reference to WTI until September 1, 2026, when the sales agreement was amended. Other NGLs represent the Company's allocated entitlements to propane and heavier NGL components extracted from natural gas delivered to the Atlantic LNG facility, and are sold at prices referenced to Propane Plus, a composite benchmark reflecting propane and heavier NGL components.

The Brent benchmark price averaged $91.36 per barrel in the third quarter of 2026, a 6 percent decrease from the second quarter of 2026 and a 34 percent increase from the third quarter of 2025. For the nine months ended September 30, 2026, Brent averaged $88.71 per barrel, a 27 percent increase from the comparative 2025 period. Benchmark prices rose sharply in March 2026 and remained elevated through the third quarter, driven by supply disruptions from the United States-Iran conflict, including reduced shipments through the Strait of Hormuz, broader geopolitical instability in the Middle East and related concerns over global crude oil supply. Prices eased in July and August 2026 from second-quarter levels before rising again in September as the conflict escalated.

Touchstone realized an average crude oil price of $74.33 per barrel in the third quarter of 2026, a 23 percent increase from $60.30 per barrel in the same period of 2025. The increase reflected higher Brent pricing, partially offset by a wider realized price differential to Brent, which increased from 11.5 percent to 18.6 percent.

For the nine months ended September 30, 2026, the Company realized an average crude oil price of $74.75 per barrel, a 23 percent increase from $60.92 per barrel in the comparative period. The increase reflected the 27 percent increase in Brent pricing, partially offset by a wider realized price differential, which increased from 12.9 percent to 15.7 percent.

Realized Crude Oil Price(1) and Differential to Brent(1)



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

Average realized NGL prices increased by 39 percent in the third quarter of 2026 and by 23 percent on a year-to-date basis compared to the corresponding periods of 2025, averaging $46.35 per barrel and $43.95 per barrel, respectively. The higher realized prices reflected stronger benchmark pricing across the Company's Brent, WTI and Propane Plus referenced NGL sales.

Natural gas

Natural gas production from the Ortoire block is sold under a long-term, fixed-price contract with NGC. The contract price is $2.33 per MMBtu through October 10, 2026, increasing to $2.38 per MMBtu through

October 10, 2027. Thereafter, the fixed price is subject to redetermination between the parties every five years.

Natural gas production from the Central block is sold either domestically to NGC or to Atlantic LNG, depending on the availability of the Atlantic LNG facility. Atlantic LNG pricing is variable and linked to a basket of global energy benchmarks, including Brent, Henry Hub, JKM and NBP. This provides exposure to international pricing but results in greater price volatility than the Ortoire block domestic contract.

Natural gas sales to Atlantic LNG are recognized when control transfers at the processing facility inlet. Revenue is initially estimated based on the applicable marketing arrangements, net of stripped NGLs and allocated plant gas, and final adjustments are recorded when the LNG is lifted and pricing is confirmed. Sales to Atlantic LNG are recorded net of processing and marketing charges, including transportation, liquefaction and associated fees.

Average realized natural gas prices increased 83 percent to $5.02 per Mcf in the third quarter of 2026 and 64 percent to $4.29 per Mcf for the nine months ended September 30, 2026, compared to the corresponding periods of 2025. The increases primarily reflected higher realized prices on Central block natural gas sold to Atlantic LNG, including sales under the Train 2/3 gas supply contract in June and July 2026. The year-to-date increase also reflected a higher proportion of total natural gas sales from the Central block, following a full nine months of production from the acquired asset.

During the third quarter of 2026, all Central block natural gas volumes were delivered to Atlantic LNG (2025 - 93 percent), under the Train 2/3 gas supply contract for July 2026 during Train 4 downtime and under the Train 4 arrangement in August and September. Central block natural gas realized an estimated average price of $7.81 per Mcf in the third quarter of 2026 and $5.86 per Mcf for the nine months ended September 30, 2026 (2025 - $2.99 and $2.91, respectively). Ortoire block natural gas (Cascadura and Coho) realized an estimated average price of $2.58 per Mcf and $2.57 per Mcf in the same periods (2025 - $2.49 and $2.50, respectively).

Petroleum and Natural Gas Sales

($000's unless otherwise stated)	**Three months ended September 30,**		% change	**Nine months ended September 30,**		% change
	2026	2025		**2026**	2025	
Crude oil	**5,726**	5,833	(2)	**19,030**	18,593	2
NGLs	**1,799**	1,340	34	**5,251**	2,238	135
Natural gas	**8,935**	5,523	62	**22,188**	13,985	59
Petroleum and natural gas sales	**16,460**	12,696	30	**46,469**	34,816	33
Sales mix						
Crude oil and liquids *(%)*	**46**	56		**52**	60	
Natural gas *(%)*	**54**	44		**48**	40	

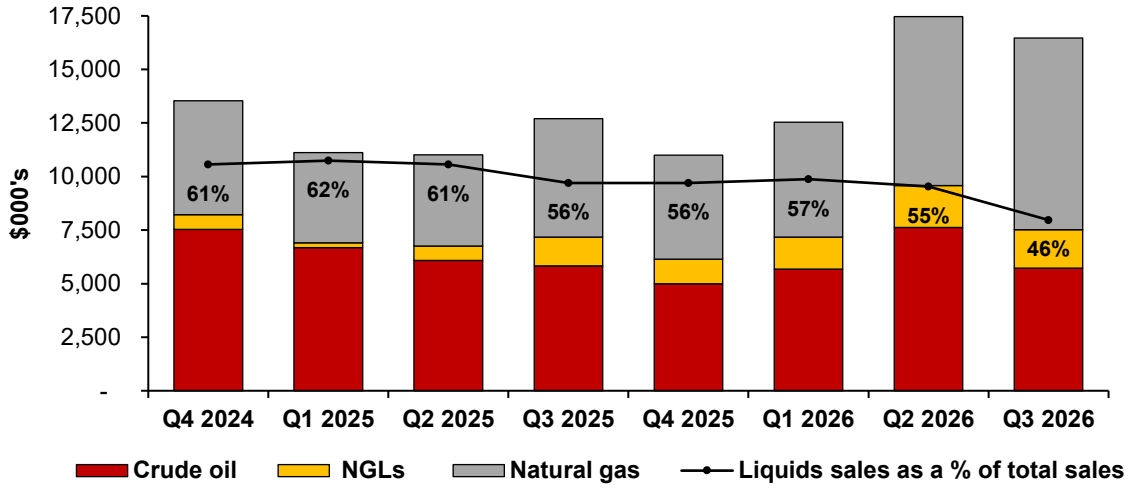
Petroleum and natural gas sales were $16,460,000 in the third quarter of 2026, a 30 percent increase from $12,696,000 in the third quarter of 2025. For the nine months ended September 30, 2026, petroleum and natural gas sales increased 33 percent to $46,469,000 from $34,816,000 in the comparative period. The increases primarily reflected higher realized prices across all products, which added approximately $5.6 million and $13.2 million in the three and nine-month periods, respectively. These were partially offset by lower crude oil and natural gas sales volumes. On a year-to-date basis, higher NGL volumes from a full nine months of Central block production partially offset these lower volumes.

- Crude oil sales decreased $107,000 in the third quarter and increased $437,000 on a year-to-date basis. Higher realized crude oil prices contributed approximately $1,081,000 and $3,521,000, respectively. These were offset by lower sales volumes, which reduced sales by approximately $1,188,000 and $3,084,000, respectively. The lower volumes reflected natural production declines

across the Company's mature crude oil properties, the 9,465-barrel increase in crude oil inventory during the third quarter and the divestment of non-core assets in the fourth quarter of 2025.

- NGL sales increased $459,000 in the third quarter and $3,013,000 on a year-to-date basis. The third-quarter increase reflected higher realized NGL prices, which contributed approximately $502,000, partially offset by slightly lower volumes. The year-to-date increase primarily reflected higher volumes from a full nine months of Central block production, which contributed approximately $2,028,000, and higher realized prices, which contributed approximately $985,000.
- Natural gas sales increased $3,412,000 in the third quarter and $8,203,000 on a year-to-date basis. Higher realized natural gas prices, including sales under the Train 2/3 gas supply contract in July 2026, contributed approximately $4,060,000 and $8,717,000, respectively. These were partially offset by lower sales volumes, which reduced sales by approximately $648,000 and $514,000, respectively. On a year-to-date basis, a full nine months of Central block production was more than offset by lower volumes at Cascadura and Coho.

Petroleum and Natural Gas Sales



Royalty Expense

($000's unless otherwise stated)	Three months ended September 30, 2026	2025	% change	Nine months ended September 30, 2026	2025	% change
State royalties	**2,033**	1,527	33	**5,928**	4,231	40
Overriding royalties	**1,585**	1,270	25	**4,945**	3,957	25
Private royalties	**22**	40	(45)	**66**	120	(45)
Royalty expense	**3,640**	2,837	28	**10,939**	8,308	32
$ per boe[(1)]	**8.82**	6.00	47	**8.86**	6.58	35
As a % of petroleum and natural gas sales[(1)]	**22.1**	22.3	(1)	**23.5**	23.9	(1)

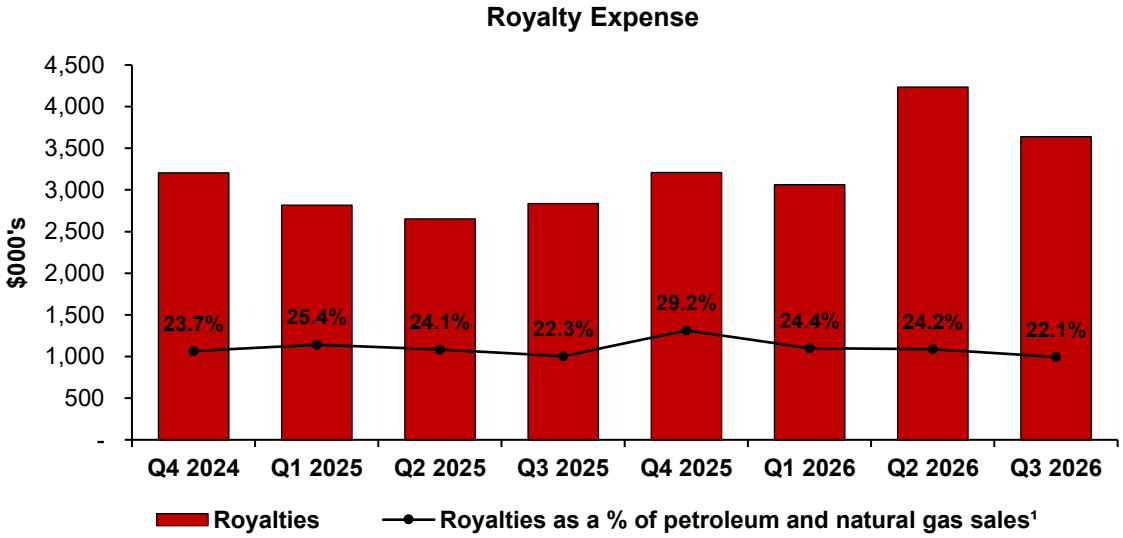
Note:
(1) Supplementary financial measure. Refer to the "*Advisories - Non-GAAP and Other Financial Measures*" section of this MD&A.

Royalty expense increased 28 percent in the third quarter of 2026 and 32 percent for the nine months ended September 30, 2026, compared to the corresponding periods of 2025, primarily reflecting higher petroleum and natural gas sales. State royalties increased 33 percent and 40 percent, respectively, consistent with higher realized prices and, on a year-to-date basis, a full nine months of Central block production. Overriding royalties increased 25 percent in both periods, as the applicable overriding royalty

rates increase with the realized crude oil price. Private royalties decreased 45 percent in both periods due to the divestment of non-core assets in the fourth quarter of 2025.

On a per unit basis, royalty expense averaged $8.82 per boe in the third quarter of 2026 and $8.86 per boe for the nine months ended September 30, 2026, compared to $6.00 per boe and $6.58 per boe in the corresponding 2025 periods. The increases reflected higher realized commodity prices. As a percentage of petroleum and natural gas sales, the effective royalty rate was 22.1 percent in the third quarter of 2026 and 23.5 percent year to date, consistent with 22.3 percent and 23.9 percent in the corresponding 2025 periods.

Central block production is subject only to state royalties of 12.5 percent, compared to an average effective royalty rate of approximately 39 percent on the Company's legacy crude oil properties for the nine months ended September 30, 2026, which varies with realized crude oil prices. The effective royalty rate remained consistent with the prior year, as the higher proportion of sales from natural gas, including a full nine months of Central block production on a year-to-date basis, offset higher overriding royalty rates on crude oil.



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

Operating Expense

($000's except per boe amounts)	Three months ended September 30, 2026	2025	% change	Nine months ended September 30, 2026	2025	% change
Operating expense	**3,503**	4,002	(12)	**10,627**	9,460	12
$ per boe(1)	**8.49**	8.46	-	**8.60**	7.50	15

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

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

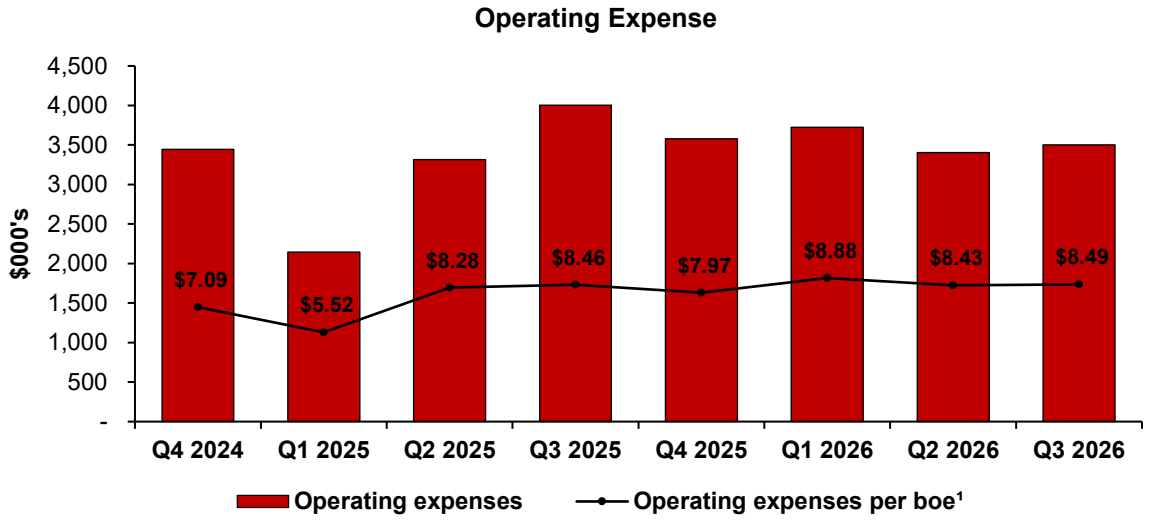
Operating expenses for the three months ended September 30, 2026 were $3,503,000, a 12 percent decrease from the comparative period. The decrease reflected lower operating costs of approximately $490,000 on the Company's legacy crude oil properties and approximately $130,000 on the Central block, partially offset by an increase of approximately $121,000 on the Ortoire block. Lower crude oil property

costs primarily reflected reduced field maintenance activity, while lower Central block costs reflected ongoing efficiency initiatives. Higher Ortoire block operating expenses reflected facility repairs and maintenance and erosion control measures.

For the nine months ended September 30, 2026, operating expenses increased $1,167,000, or 12 percent, from the comparative period. The increase primarily reflected a full nine months of operating costs on the Central block of approximately $1,981,000, partially offset by lower costs of approximately $705,000 on the legacy crude oil properties and $109,000 on the Ortoire block. Crude oil property costs decreased as a result of lower field maintenance activity and the December 2025 non-core asset disposition, while Ortoire block costs decreased due to reduced trucking costs associated with the decline in NGL volumes.

On a per unit basis, third-quarter operating expenses were $8.49 per boe, consistent with $8.46 per boe in the comparative period. Legacy crude oil property unit costs decreased to $16.94 per barrel from $18.43 per barrel, reflecting reduced field maintenance activity. Ortoire natural gas unit costs increased to $5.35 per boe from $4.29 per boe, reflecting higher operating costs and lower production volumes. Central block unit costs increased to $7.74 per boe from $7.31 per boe, as lower production during the planned booster compressor maintenance and the CR-3 well shut-in more than offset lower absolute costs.

For the nine months ended September 30, 2026, operating expenses averaged $8.60 per boe, a 15 percent increase from $7.50 per boe in the comparative period. Legacy crude oil property unit costs increased to $18.07 per barrel from $17.27 per barrel, and Ortoire natural gas unit costs increased to $4.83 per boe from $3.19 per boe. These increases primarily reflected lower production volumes, as a significant portion of operating costs are fixed. Central block unit costs decreased slightly to $7.26 per boe from $7.33 per boe, as fixed costs were spread over a full nine months of production.



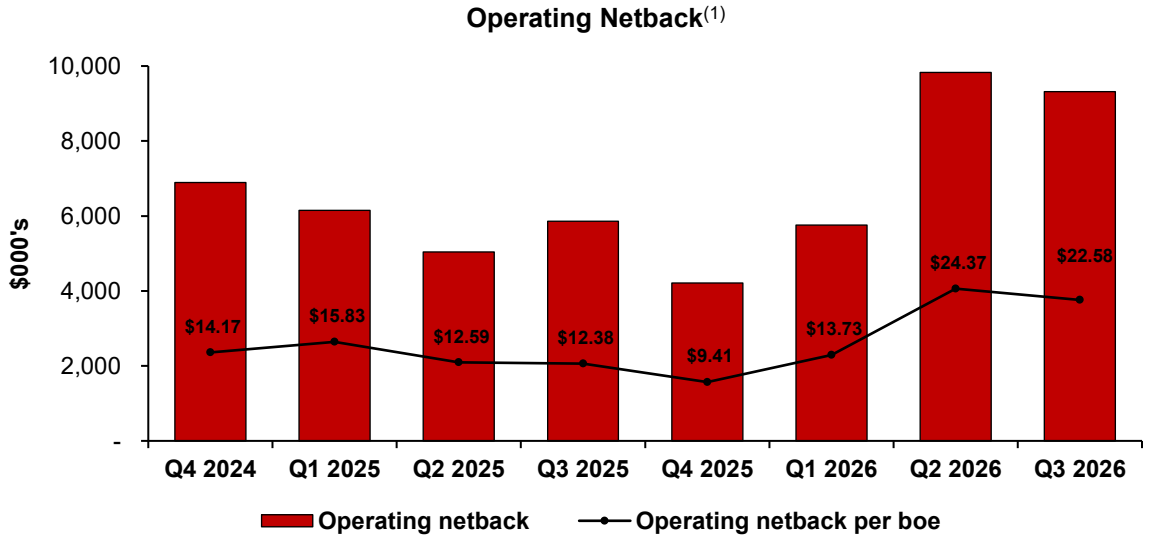
Note:
(1) Supplementary financial measure. Refer to the "*Advisories - Non-GAAP and Other Financial Measures*" section of this MD&A.

Operating Netback

	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
($000's)						
Petroleum and natural gas sales	**16,460**	12,696	30	**46,469**	34,816	33
Royalty expense	**(3,640)**	(2,837)	28	**(10,939)**	(8,308)	32
Operating expense	**(3,503)**	(4,002)	(12)	**(10,627)**	(9,460)	12
Operating netback(1)	**9,317**	5,857	59	**24,903**	17,048	46

	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
($/boe)						
Realized commodity price[(1)]	**39.89**	26.84	49	**37.62**	27.59	36
Royalty expense[(1)]	**(8.82)**	(6.00)	47	**(8.86)**	(6.58)	35
Operating expense[(1)]	**(8.49)**	(8.46)	-	**(8.60)**	(7.50)	15
Operating netback[(1)]	**22.58**	12.38	82	**20.16**	13.51	49

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



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

General and Administration ("G&A") Expense

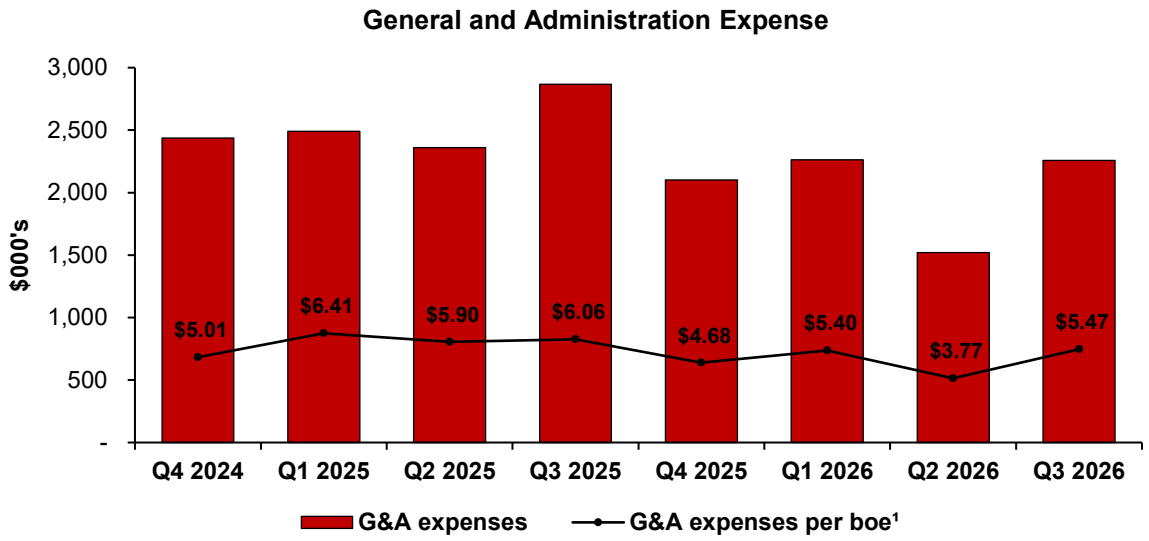
($000's except per boe amounts)	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
Gross G&A expense	**2,355**	2,958	(20)	**6,330**	7,997	(21)
Capitalized G&A expense	**(97)**	(91)	7	**(289)**	(280)	3
G&A expense	**2,258**	2,867	(21)	**6,041**	7,717	(22)
$ per boe[(1)]	**5.47**	6.06	(10)	**4.89**	6.12	(20)

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

G&A expense, net of capitalized amounts, was $2,258,000 in the third quarter of 2026 and $6,041,000 for the nine months ended September 30, 2026, representing decreases of 21 percent and 22 percent, respectively, from the comparative periods. Both periods reflected lower personnel costs following restructuring initiatives completed in the fourth quarter of 2025, and lower legal fees. The year-to-date decrease also reflected a one-time recovery of management overhead charges associated with the Central block recorded in the second quarter of 2026. These decreases were partially offset by higher security costs associated with the idle drilling rig.

On a per unit basis, G&A expense decreased 10 percent to $5.47 per boe in the third quarter of 2026 and 20 percent to $4.89 per boe for the nine months ended September 30, 2026, compared to $6.06 per boe

and $6.12 per boe in the comparative periods. The lower overhead costs were partially offset by lower production volumes.



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

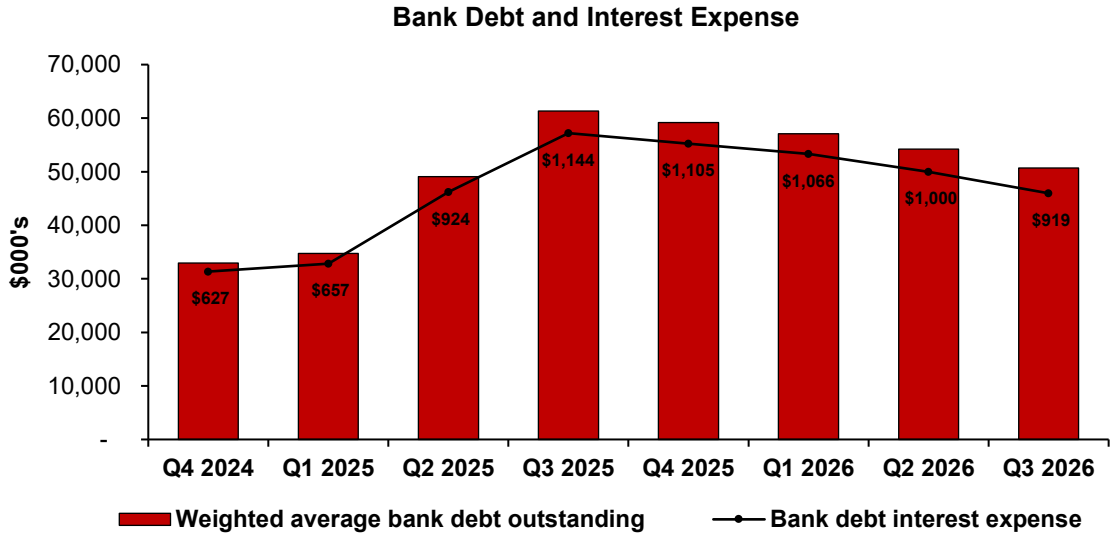
Net Finance Expense

($000's except per boe amounts)	Three months ended September 30, 2026	2025	% change	Nine months ended September 30, 2026	2025	% change
Interest income	**(3)**	(42)	(93)	**(5)**	(104)	(95)
Debenture interest expense	**28**	-	n/a	**51**	-	n/a
Convertible debenture interest expense	**157**	92	71	**467**	92	n/m
Convertible debenture issuance expense	**-**	167	(100)	**-**	167	(100)
Convertible debenture revaluation loss	**794**	-	n/a	**1,123**	-	n/a
Lease liability interest expense	**71**	119	(40)	**267**	386	(31)
Bank debt interest expense	**919**	1,144	(20)	**2,985**	2,725	10
Accretion on bank debt	**37**	66	(44)	**106**	441	(76)
Accretion on decommissioning liabilities	**84**	95	(12)	**251**	246	2
Other cash	**3**	109	(97)	**14**	126	(89)
Other non-cash	**(5)**	(9)	(44)	**394**	(6)	n/a
Net finance expense	**2,085**	1,741	20	**5,653**	4,073	39
Cash net finance expense[(1)]	**1,175**	1,422	(17)	**3,779**	3,225	17
Non-cash net finance expense[(1)]	**910**	319	n/m	**1,874**	848	121
Net finance expense	**2,085**	1,741	20	**5,653**	4,073	39
$ per boe[(1)]	**5.05**	3.68	37	**4.58**	3.23	42

Note:
(1) Specified or supplementary financial measure. Refer to the "*Advisories - Non-GAAP and Other Financial Measures*" section of this MD&A.

Net finance expense was $2,085,000 in the third quarter of 2026, a 20 percent increase from $1,741,000 in the third quarter of 2025. Cash net finance expense decreased 17 percent to $1,175,000. This primarily reflected lower bank debt interest expense, as the weighted average bank debt balance decreased approximately 17.3 percent to $50.7 million from $61.3 million. It also reflected lower other cash finance costs. These decreases were partially offset by a full quarter of interest on the convertible debenture issued in August 2025 and interest on the debenture issued in connection with the Integrated Financing. Non-cash net finance expense increased $591,000, reflecting a $794,000 fair value loss on the revaluation of the convertible debenture. This was partially offset by the non-recurrence of $167,000 in convertible debenture issuance costs incurred in the third quarter of 2025, and lower accretion on bank debt and decommissioning liabilities.

For the nine months ended September 30, 2026, net finance expense was $5,653,000, a 39 percent increase from $4,073,000 in the comparative period. Cash net finance expense increased 17 percent, or $554,000, to $3,779,000. This primarily reflected a full nine months of interest on the convertible debenture and higher bank debt interest expense from a full nine months of borrowings drawn to fund the Central block acquisition. These increases were partially offset by lower lease liability interest and other cash finance costs. Non-cash net finance expense increased $1,026,000, reflecting the $1,123,000 convertible debenture revaluation loss and a $502,000 revaluation of a liability assumed in the Central block acquisition. These were partially offset by lower accretion on bank debt, a $108,000 gain on a lease liability modification and the non-recurrence of the 2025 convertible debenture issuance costs.



Further details regarding the Company's bank debt and convertible debenture are provided in the "*Liquidity and Capital Resources*" section of this MD&A.

Foreign Exchange and Foreign Currency Translation

Touchstone's presentation currency is the United States dollar. The parent company's functional currency is the Canadian dollar, while its Trinidadian subsidiaries utilize the Trinidad and Tobago dollar as their

functional currencies. The following table summarizes the applicable foreign exchange ("FX") rates used to translate the Company's C$ and TT$ denominated items.

Applicable FX rates	Three months ended September 30, 2026	2025	% change	Nine months ended September 30, 2026	2025	% change
US$:C$ average FX rate[1]	**1.400**	1.377	2	**1.386**	1.399	(1)
US$:TT$ average FX rate[2]	**6.747**	6.749	-	**6.747**	6.750	-
Applicable FX rates	**September 30, 2026**	June 30, 2026	% change	**September 30, 2026**	December 31, 2025	% change
US$:C$ closing FX rate[1]	**1.424**	1.421	-	**1.424**	1.372	4
US$:TT$ closing FX rate[2]	**6.735**	6.742	-	**6.735**	6.771	(1)

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

Income statement impact

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

Based on average exchange rates, the C$ depreciated 2 percent against the US$ in the third quarter of 2026 and appreciated 1 percent for the nine months ended September 30, 2026, compared to the respective 2025 periods. The TT$ remained stable against the US$ over the same periods. Touchstone recorded a foreign exchange gain of $64,000 and a loss of $236,000 for the three and nine months ended September 30, 2026, respectively (2025 - gains of $99,000 and $263,000). These amounts primarily reflected the revaluation of monetary items denominated in currencies other than each entity's functional currency, as a result of movements in closing exchange rates during the periods. These items were principally US$-denominated net liabilities held by the parent and US$-denominated working capital and bank debt held by the Trinidadian subsidiaries. Foreign exchange gains and losses were predominantly unrealized and may reverse in future periods as exchange rates fluctuate.

Balance sheet impact

For presentation purposes, the assets and liabilities of the parent company and its subsidiaries are translated into US$ at the closing exchange rate on the reporting date, with the resulting translation differences recorded in other comprehensive loss.

At September 30, 2026, the C$ and TT$ were stable versus the US$ compared to June 30, 2026. Compared to December 31, 2025, the C$ depreciated 4 percent and the TT$ appreciated 1 percent. As a result of translating the functional currency net assets of the parent company and its subsidiaries into the US$ presentation currency, Touchstone recognized foreign currency translation gains of $156,000 and $788,000 in other comprehensive loss during the three and nine months ended September 30, 2026, respectively (2025 - losses of $618,000 and $233,000). The gains primarily reflect the appreciation of the TT$ on the net assets of the Trinidadian subsidiaries, partially offset by the depreciation of the C$ on the parent company's net assets.

Share-based Compensation

The Company provides share-based incentive compensation to directors, officers and employees to align their interests with those of shareholders. Currently, the Company administers the Omnibus Incentive

Compensation Plan (the "Omnibus Plan"), adopted in June 2023, while maintaining a Legacy Stock Option Plan (the "Legacy Plan"). Since the adoption of the Omnibus Plan, no further grants have been or will be made under the Legacy Plan.

Non-employee directors are eligible to participate in a deferred share unit ("DSU") plan. While DSUs vest immediately upon grant, they are redeemable only for cash when the director ceases to be a member of the Board.

The aggregate number of common shares reserved for issuance under all share-based compensation plans is limited to 10 percent of the Company's issued and outstanding common shares.

The following table summarizes outstanding stock option and share award activity (presented in number of units) for the periods specified.

(number outstanding)	**Stock options**	**RSUs**	**PSUs**[1]	**DSUs**
Issued and outstanding, January 1, 2025	11,731,000	1,447,780	1,397,780	977,332
Granted	-	3,537,139	3,423,974	1,476,424
Settled in cash	-	(469,574)	-	-
Forfeited	(1,379,666)	(670,236)	(738,445)	-
Expired	(3,032,334)	-	-	-
Issued and outstanding, December 31, 2025	**7,319,000**	**3,845,109**	**4,083,309**	**2,453,756**
Granted	**-**	**2,082,040**	**2,082,040**	**978,500**
Settled in cash	**-**	**(1,361,100)**	**-**	**(141,667)**
Forfeited	**(252,500)**	**(146,498)**	**-**	**-**
Expired	**(2,179,000)**	**-**	**-**	**-**
Issued and outstanding, Sept. 30, 2026	**4,887,500**	**4,419,551**	**6,165,349**	**3,290,589**

Note:
(1) PSU figures are presented based on the number of notional units granted, before application of any performance multiplier.

The following table summarizes share-based compensation expense recognized for the three and nine months ended September 30, 2026 and 2025.

($000's)	**Three months ended September 30,**		% change	**Nine months ended September 30,**		% change
	2026	2025		**2026**	2025	
Equity-settled (stock options)	**36**	95	(62)	**103**	244	(58)
Cash-settled (share awards)	**360**	274	31	**530**	224	137
Capitalized expense	**(18)**	(8)	125	**(38)**	(26)	46
Share-based compensation expense	**378**	361	5	**595**	442	35

Share-based compensation expense was $378,000 in the third quarter of 2026, a 5 percent increase from $361,000 in the third quarter of 2025. For the nine months ended September 30, 2026, share-based compensation expense was $595,000, a 35 percent increase from $442,000 in the comparative period. The increases primarily reflected higher cash-settled compensation, driven by an increase in the Company's share price, partially offset by lower equity-settled stock option expense.

Equity-settled compensation decreased from the prior year, as no stock options have been granted since the adoption of the Omnibus Plan in June 2023 and the remaining outstanding options were fully vested as at September 30, 2026.

Cash-settled compensation related to RSUs, PSUs and DSUs was $360,000 and $530,000 for the three and nine months ended September 30, 2026, respectively (2025 - $274,000 and $224,000). This included $183,000 and $359,000, respectively, related to the vesting of RSUs and PSUs and the 2026 annual DSU

grant. It also included increases in the share-based compensation liability of $177,000 and $171,000, respectively, from remeasurement, reflecting the increase in the Company's share price from C$0.135 at June 30, 2026 and December 31, 2025 to C$0.17 at September 30, 2026.

As at September 30, 2026, the share-based compensation liability was $766,000, of which $595,000 was classified as current (December 31, 2025 - $429,000 and $303,000, respectively).

Depletion and Depreciation Expense

($000's except per boe amounts)	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
Depletion expense	**2,981**	3,789	(21)	**9,040**	8,398	8
Depreciation expense	**223**	231	(3)	**681**	698	(2)
Depletion and depreciation expense	**3,204**	4,020	(20)	**9,721**	9,096	7
Depletion expense per boe[(1)]	**7.22**	8.01	(10)	**7.32**	6.66	10

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

Depletion expense

Depletion expense on petroleum and natural gas development assets included within property, plant and equipment ("PP&E") decreased 21 percent in the third quarter of 2026 compared to the third quarter of 2025. The decrease primarily reflected lower production volumes and a lower depletion rate on the Central block following an upward revision to its reserves at December 31, 2025. These were partially offset by a higher depletion rate at Cascadura following the downward revision to its reserves at December 31, 2025.

For the nine months ended September 30, 2026, depletion expense increased 8 percent compared to the comparative period. This primarily reflected a full nine months of depletion on the Central block and a higher depletion rate at Cascadura, partially offset by lower production volumes and a lower Central block depletion rate.

On a per unit basis, depletion expense decreased 10 percent to $7.22 per boe in the third quarter of 2026, primarily reflecting the lower Central block depletion rate, partially offset by the higher depletion rate at Cascadura.

For the nine months ended September 30, 2026, depletion expense increased 10 percent to $7.32 per boe. This primarily reflected a greater proportion of production from the Central block, which carries a higher depletion rate than the Company's other producing properties, and the higher Cascadura depletion rate following the independent reserves evaluation effective December 31, 2025.

Depreciation expense

Depreciation expense decreased 3 percent and 2 percent in the three and nine months ended September 30, 2026 compared to the comparative periods, primarily due to lower carrying values of lease right-of-use assets as they continue to be depreciated over their respective terms.

Impairment of Non-financial Assets

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

No impairment charges related to E&E assets were recognized during the three and nine months ended September 30, 2026 and 2025.

The exploration period of the Ortoire block licence expired on July 31, 2026, and the Company's request for a three-year extension remains subject to formal approval by the MEEI. Management expects the extension to be granted and identified no indicators of impairment; however, if it is not granted, some or all of the $3.2 million carrying value of Ortoire E&E assets may be impaired.

PP&E impairment

As at September 30, 2026 and 2025, the Company evaluated its petroleum and natural gas development assets included in PP&E for indicators of any potential impairment or reversal. As a result of these assessments, no indicators were identified.

Income Taxes

Current income tax expense

($000's except per boe amounts)	Three months ended September 30,		% change	Nine months ended September 30,		% change
	2026	2025		**2026**	2025	
Supplemental petroleum tax	**-**	-	n/a	**10**	-	n/a
Petroleum profits tax	**270**	859	(69)	**(14)**	899	n/a
Unemployment levy	**108**	74	46	**163**	90	81
Other taxes	**114**	87	31	**413**	368	12
Current income tax expense	**492**	1,020	(52)	**572**	1,357	(58)
$ per boe[(1)]	**1.19**	2.16	(45)	**0.46**	1.08	(57)

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

Touchstone recognized current income tax expense of $492,000 and $572,000 for the three and nine months ended September 30, 2026, respectively, compared to $1,020,000 and $1,357,000 in the comparative periods. The third-quarter decrease primarily reflected lower petroleum profits tax following a December 2025 corporate reorganization. On a year-to-date basis, petroleum profits tax was a recovery of $14,000, reflecting adjustments recognized on filing the 2025 tax returns. The unemployment levy increased 46 percent and 81 percent in the three and nine-month periods, respectively, due to higher taxable income, as the unemployment levy cannot be reduced by loss carryforwards. Other taxes primarily reflected withholding taxes on intercompany transactions.

Deferred income tax

As at September 30, 2026, the Company had a net deferred income tax liability of $25,630,000 (December 31, 2025 - $23,605,000). Touchstone recognized deferred income tax expense of $843,000 and $1,893,000 for the three and nine months ended September 30, 2026, respectively, compared to deferred income tax recoveries of $2,121,000 and $3,064,000 in the comparative periods. The deferred income tax expense primarily reflected utilization of petroleum profit tax loss carryforwards and changes in temporary differences between the carrying amounts of PP&E and their respective tax bases, partially offset by an increase in deferred tax assets related to deductible intercompany interest.

Further information regarding current and deferred income taxes is included in Note 16 "*Income Taxes*" of the interim financial statements.

Net Income (Loss)

The Company reported net income of $77,000 ($0.00 per basic and diluted share) in the third quarter of 2026, compared to a net loss of $2,064,000 ($0.01 per basic and diluted share) in the third quarter of 2025.

For the nine months ended September 30, 2026, net income was $41,000 ($0.00 per basic and diluted share), compared to a net loss of $2,733,000 ($0.01 per basic and diluted share) in the comparative period.

The improvements primarily reflected higher funds flow from operations, driven by higher realized commodity prices. These were partially offset by deferred income tax expense in 2026, compared to deferred income tax recoveries in 2025, and higher non-cash finance expense from the convertible debenture revaluation loss. Depletion and depreciation expense decreased in the third quarter, primarily due to lower production volumes and a lower depletion rate on the Central block, partially offset by a higher depletion rate at Cascadura. On a year-to-date basis, depletion and depreciation expense increased, reflecting a full nine months of Central block depletion and the higher Cascadura field depletion rate.

The following table sets forth details of the change in net income (loss) from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026.

($000's)	**Three months ended September 30**	**Nine months ended September 30**
Net loss – 2025	(2,064)	(2,733)
Cash items		
Funds flow from operations	**4,637**	**9,600**
Decommissioning expenditures	**-**	**13**
Cash variances	**4,637**	**9,613**
Non-cash items		
Non-cash finance expense	**(591)**	**(1,026)**
Unrealized foreign exchange	**260**	**(78)**
Share-based compensation expense	**(17)**	**(153)**
Depletion and depreciation expense	**816**	**(625)**
Deferred income tax	**(2,964)**	**(4,957)**
Non-cash variances	**(2,496)**	**(6,839)**
Net income – 2026	**77**	**41**

Cash From Operating Activities

The following table details the change in cash from operating activities from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026.

($000's)	**Three months ended September 30**	**Nine months ended September 30**
Cash from operating activities – 2025	4,850	10,227
Increase in funds flow from operations	**4,637**	**9,600**
Net decrease in non-cash working capital	**(3,554)**	**(5,868)**
Cash from operating activities – 2026	**5,933**	**13,959**

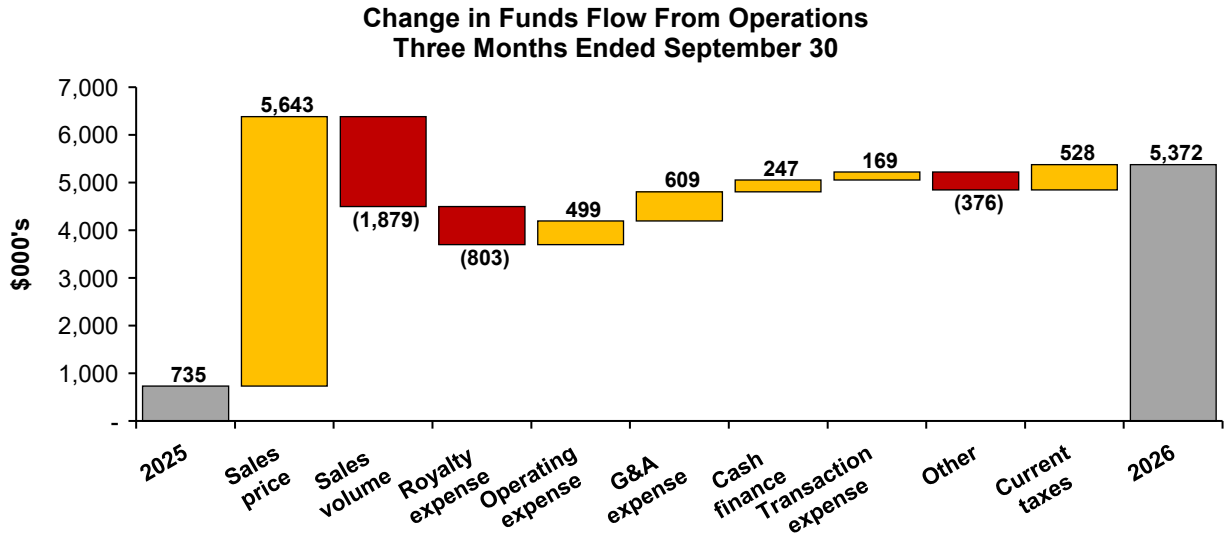
Funds Flow From Operations

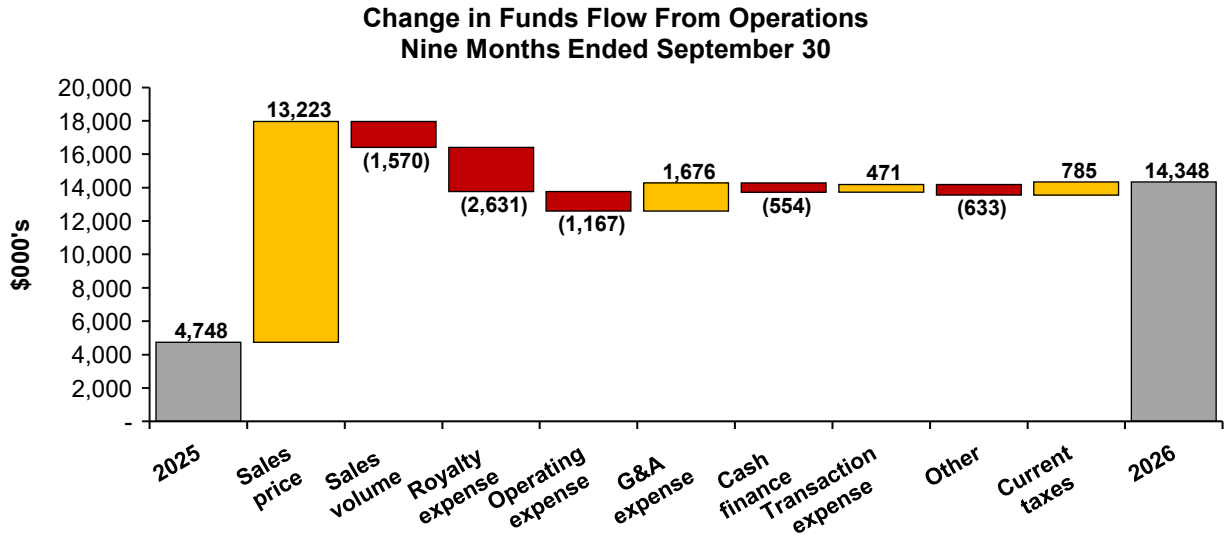
Funds flow from operations is included in the Company's consolidated statements of cash flows. Touchstone considers funds flow from operations to be a key measure of operating performance as it demonstrates the Company's ability to generate the funds necessary to finance capital expenditures and repay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

Funds flow from operations was $5,372,000 in the third quarter of 2026 and $14,348,000 for the nine months ended September 30, 2026, compared to $735,000 and $4,748,000 in the comparative periods. The increases primarily reflected higher realized commodity prices, which increased petroleum and natural gas sales by $5,643,000 and $13,223,000, respectively. These were partially offset by lower sales volumes

and higher royalties. Funds flow from operations also benefited from lower G&A expense, lower current income taxes and the non-recurrence of transaction costs incurred in 2025 related to the Central block acquisition. In the third quarter, operating expense and cash finance expense were also lower. On a year-to-date basis, these benefits were partially offset by higher operating expense from a full nine months of Central block operations and higher cash finance expense. Realized foreign exchange variances reduced funds flow from operations by $295,000 and $421,000 in the three and nine-month periods, respectively.

The following graphs summarize the change in funds flow from operations from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026.





Capital Expenditures

E&E Asset Expenditures

E&E asset expenditures consist of asset additions in areas determined to be in the exploration phase, which include the Company's interests in the Charuma, Cipero and Rio Claro blocks and the undeveloped portions of the Ortoire block.

($000's)	Three months ended September 30, 2026	2025	% change	Nine months ended September 30, 2026	2025	% change
Licence financial obligations	**365**	397	(8)	**1,067**	1,155	(8)
Geological and geophysical	**36**	5	n/m	**52**	65	(20)
E&E asset expenditures	**401**	402	-	**1,119**	1,220	(8)

E&E asset expenditures were $401,000 and $1,119,000 for the three and nine months ended September 30, 2026, respectively, compared to $402,000 and $1,220,000 in the comparative periods. Expenditures in both periods primarily reflected minimum financial obligations required to maintain the Company's exploration licences.

PP&E Expenditures

($000's)	Three months ended September 30, 2026	2025	% change	Nine months ended September 30, 2026	2025	% change
Drilling and completions	**1,238**	8,835	(86)	**4,503**	19,099	(76)
Equipment and facilities	**20**	270	(93)	**584**	289	102
Capitalized G&A	**97**	91	7	**289**	280	3
Corporate and other	**-**	4	(100)	**-**	46	(100)
PP&E expenditures	**1,355**	9,200	(85)	**5,376**	19,714	(73)

PP&E expenditures were $1,355,000 in the third quarter of 2026 and $5,376,000 for the nine months ended September 30, 2026, decreases of 85 percent and 73 percent, respectively, from $9,200,000 and $19,714,000 in the comparative periods.

Third-quarter 2026 expenditures were primarily directed toward drilling the PS-623 crude oil development well on the WD-4 block, which was completed and brought on production in October 2026. Expenditures also included lease construction on the Central block and commissioning costs for the Cascadura compression project. On a year-to-date basis, expenditures also reflected drilling and completion of the FR-1835 and FR-1836 crude oil development wells on the WD-8 block, both of which commenced production in May 2026, and final facility tie-in activities at the CR-3 natural gas well.

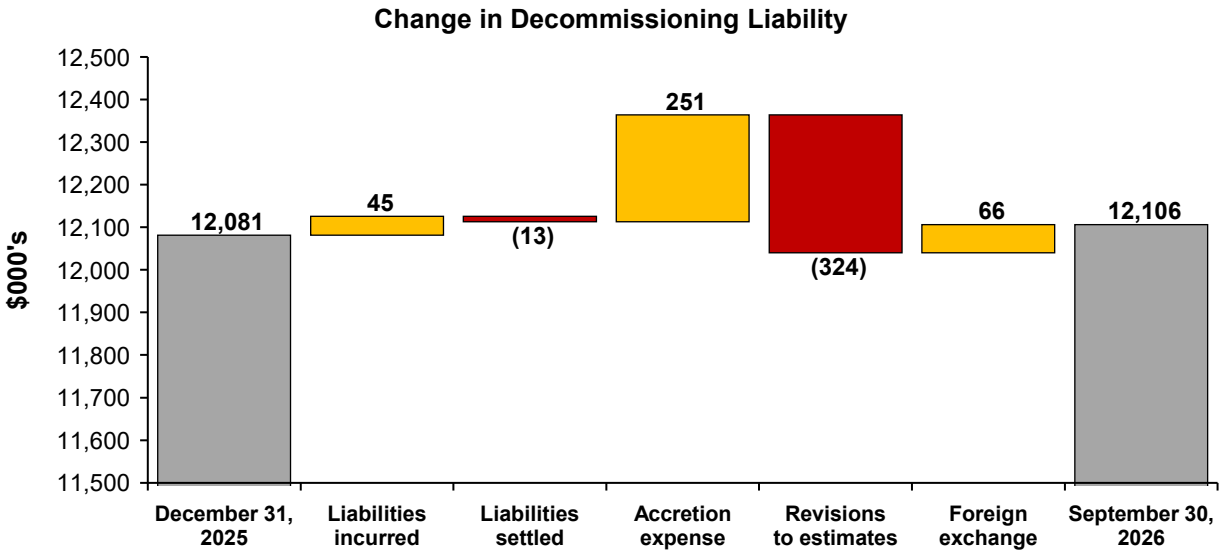
PP&E expenditures in 2025 were primarily focused on development of the Cascadura field. Third-quarter 2025 expenditures primarily related to resuming operations on the Cascadura-4 development well, which had been suspended in the first quarter of 2025, and advancing the Cascadura facility compression project. Expenditures in the first half of 2025 primarily related to the initial drilling and subsequent sidetrack of Cascadura-4 and drilling the Cascadura-5 development well.

Decommissioning Liabilities and Abandonment Funds

Decommissioning Liabilities

Decommissioning and reclamation liabilities represent the estimated future costs for site restoration, well abandonment and equipment removal in accordance with Trinidadian environmental regulations. These estimates are reviewed quarterly and incorporate assumptions regarding abandonment expenditures, inflation rates, the timing of settlement and historical production profiles. The discounted net present value of Touchstone's decommissioning liability totalled $12,106,000 as at September 30, 2026, compared to $12,081,000 at December 31, 2025. Decommissioning liability details as at and during the nine months ended September 30, 2026 are summarized as follows.

Number of well locations (net)	Number of facility locations (net)	Undiscounted balance *($000's)*	Inflation adjusted balance *($000's)*	Discounted balance *($000's)*
386.45	4.85	15,667	17,872	12,106



Asset Abandonment Funding

Touchstone funds its future reclamation obligations through abandonment fund contributions. As at September 30, 2026, the Company held $9,906,000 in long-term abandonment fund assets (December 31, 2025 - $9,478,000). These funds are cash-collateralized and held in escrow with the Ministry of Energy and Energy Industries ("MEEI") and Heritage, supported by per-unit remittances on current production. As at September 30, 2026, these funds represented approximately 82 percent of the Company's discounted decommissioning liability.

Abandonment and reclamation activities are carried out with the oversight of the Board and in accordance with local regulations. Due to the long-term nature of these obligations, estimates are subject to significant uncertainties regarding both timing and cost. Further information is available in Note 11 "*Decommissioning Liabilities and Abandonment Fund*" of the interim financial statements.

Liquidity and Capital Resources

Liquidity

The Company's objective is to maintain a capital base that preserves investor, creditor and market confidence while providing financial flexibility to sustain future business development. Touchstone defines its capital structure to include shareholders' equity, working capital and interest-bearing debt.

The Company has historically financed exploration and development activities through a combination of funds flow from operations, shareholders' equity and bank debt. The convertible debenture increased financial leverage and future interest obligations, but it may be converted into common shares. Although the convertible debenture is classified as a current liability for accounting purposes, Management does not consider it a near-term liquidity risk, as it does not mature until August 2028 and any conversion would be settled in common shares.

As at September 30, 2026, the Company had cash of $8,098,000, a working capital deficit of $20,142,000 and long-term bank debt principal of $35,804,000, with its revolving credit facility fully drawn (refer to the "*Bank Debt*" subheading below). Due to the capital-intensive nature of its upstream operations, where operating cash flows are routinely reinvested into development and exploration activities, the Company typically operates with a working capital deficit.

The working capital deficit at September 30, 2026 included $12,714,000 of bank debt principal due within one year and the $11,102,000 carrying value of the convertible debenture, which is classified as a current liability. Investing cash outflows of $15,964,000 for the nine months ended September 30, 2026 exceeded capital expenditures of $6,495,000, primarily reflecting the settlement of elevated accounts payable related to the 2025 capital program.

In June 2026, the Company completed the Integrated Financing, which improved its liquidity, funded the remainder of the 2026 capital program and addressed near-term working capital requirements. In connection with the transaction, on July 24, 2026, the $8,402,000 debenture recognized within current liabilities at June 30, 2026 was repaid in full, and the repayment proceeds were applied to the related common share subscription by Purebond Limited (refer to the "*Shareholders' Equity*" subheading below). The Company has used the net proceeds of the Integrated Financing to meet minimum work obligations, enhance existing assets and strengthen its balance sheet.

Notwithstanding these developments, the Company has significant scheduled bank debt repayments over the next twelve months and remains exposed to commodity price volatility, production performance, development execution and uncertainty surrounding the timing of recovery of outstanding VAT receivables. Adverse changes in these factors could reduce available liquidity and affect the Company's ability to satisfy its financial obligations as they become due. Management can preserve liquidity by deferring discretionary capital expenditures, adjusting the timing of operational expenditures and pursuing amendments to, or refinancing of, its existing bank debt (refer to the "*Liquidity and Going Concern*" section of this MD&A).

The Company remains committed to a measured approach to future development and exploration expenditures, prioritizing liquidity management while executing its strategic objectives. The following table summarizes changes in the Company's cash balance during the specified periods.

($000's)	**Three months ended September 30, 2026**	**Nine months ended September 30, 2026**
Net cash from (used in):		
Operating activities	**5,933**	**13,959**
Investing activities	**(3,190)**	**(15,964)**
Financing activities	**(3,741)**	**(242)**
Change in cash	**(998)**	**(2,247)**
Cash, beginning of period	**9,150**	**10,370**
Impact of FX on cash balances	**(54)**	**(25)**
Cash, end of period	**8,098**	**8,098**

Convertible Debenture

Overview

On August 8, 2025, the Company issued a secured convertible debenture to a private investor for gross proceeds of $12.5 million. The convertible debenture matures on August 8, 2028 and bears interest at 5 percent per annum, payable semi-annually on June 30 and December 31.

The convertible debenture is convertible, at the holder's option, into common shares of the Company at any time prior to maturity at a conversion price of approximately US$0.22 per share (being the US$ equivalent of C$0.30 per share based on the exchange rate immediately prior to issuance). 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.

The convertible debenture is secured by a first-ranking security interest over all present and after-acquired personal property of the Company and a pledge of the shares of Touchstone Exploration (Barbados) Ltd.

Classification and fair value measurement

The Company designated the convertible debenture at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. Accordingly, the convertible debenture is remeasured to fair value at each reporting date, with changes recognized in net finance expense. Issuance costs of $167,000 were expensed in the third quarter of 2025.

As at September 30, 2026, the fair value of the convertible debenture was estimated at $11,102,000, resulting in revaluation losses of $794,000 and $1,123,000 recognized within net finance expense during the three and nine months ended September 30, 2026, respectively. The non-cash revaluation losses primarily reflected an increase in the Company's share price and higher estimated share price volatility, which increased the estimated fair value of the debenture's conversion feature. The fair value was also affected by the passage of time and changes in discount rates and credit spreads.

Warrants

In connection with the convertible debenture issuance, the Company issued 6,250,000 warrants, each exercisable into one common share at a price of C$0.40 per share until August 8, 2027. The warrants were assigned a fair value of $269,000 on issuance using the Black-Scholes option pricing model and were recorded in shareholders' equity. The warrants are not subsequently remeasured.

Liquidity and capital resources impact

The convertible debenture and related warrants introduced potential future share dilution. Full conversion of the debenture would result in the issuance of 57,305,276 common shares, and exercise of the warrants would result in the issuance of 6,250,000 common shares. The convertible debenture is also a secured obligation ranking ahead of the Company's unsecured creditors. In addition, because the convertible debenture is measured at fair value through profit or loss, changes in the Company's share price, foreign exchange rates, credit spreads and other valuation inputs may result in increased volatility in net income (loss).

While the instrument is classified as a current liability due to the holder's immediate conversion rights, it does not create a near-term cash principal repayment obligation, as the principal is not contractually due until August 2028.

Further information regarding the convertible debenture and the related accounting treatment is included in Note 8 "*Convertible Debenture*" of the interim financial statements. A copy of the convertible debenture is available on the Company's profile on SEDAR+ (www.sedarplus.ca).

Bank Debt

Overview

The Company has four credit facilities pursuant to a Fourth Amended and Restated Loan Agreement (the "Loan Agreement") with its Trinidad-based lender. As at September 30, 2026, the Company had a $30 million non-revolving term loan ("Term Loan Facility 1"), a $10 million non-revolving term loan ("Term Loan Facility 2"), a $30 million non-revolving term loan ("Term Loan Facility 3") and a $10 million revolving loan facility pursuant to the Loan Agreement.

As at September 30, 2026, outstanding principal balances totalled $48,518,000, and there was no remaining available credit capacity under the revolving facility.

Details of the facilities are summarized as follows.

Facility	Term Loan Facility 1	Term Loan Facility 2	Term Loan Facility 3	Revolving loan
Inception amount	$30,000,000	$10,000,000	$30,000,000	$10,000,000
Inception date	June 15, 2020	May 1, 2024	May 12, 2025	June 1, 2023
Maturity date	June 15, 2027	April 30, 2029	May 12, 2031	June 1, 2028 – the parties have the option to extend by additional two-year periods
Current interest rate per annum	7.85%	5.96% through April 30, 2027 – reset annually	7.98% through May 11, 2027 – reset annually	5.86% through May 31, 2027 – reset annually
Interest payments	Payable quarterly in arrears	Payable monthly in arrears	Payable quarterly in arrears	Payable monthly in arrears
Principal payments	Twenty quarterly payments of $1.5 million from September 15, 2022 to June 15, 2027; additional principal may be repaid with no penalty	Sixteen quarterly payments of $625,000 from July 31, 2025 to April 30, 2029; additional principal may be repaid with a 1% penalty during the initial three years	Twenty-one quarterly payments of approximately $1.43 million 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
Sept. 30, 2026 principal balance	$4,500,000	$6,875,000	$27,143,000	$10,000,000
Sept. 30, 2026 available credit capacity	$nil	$nil	$nil	$nil

Security and general covenants

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 the Company's Trinidad exploration and production subsidiaries. The Loan Agreement contains customary representations, warranties, affirmative and negative covenants, events of default and annual financial covenant requirements. A breach of any covenant constitutes an event of default, upon which the lender may declare outstanding principal and accrued interest immediately due and payable.

In May 2026, the Company obtained a waiver from its lender of the annual debt service coverage ratio covenant for the year ending December 31, 2026. As at September 30, 2026, the Company was in compliance with all covenants under the Loan Agreement.

Management monitors covenant compliance using actual and forecasted results. The Company maintains flexibility within its capital expenditure program and may adjust development and exploration activities, if required, to preserve liquidity and maintain covenant compliance.

Restricted cash

In accordance with the Loan Agreement, the Company is required to maintain specific cash reserves for the duration of the term loan facilities. As at September 30, 2026, $4,290,000 was held in restricted accounts, of which $137,000 was classified as current restricted cash and $4,153,000 was classified as non-current restricted cash based on the maturity profile of the underlying term debt obligations (December 31, 2025 - $nil and $3,602,000, respectively).

Liquidity considerations

The Company's bank debt is secured by the assets of its Trinidad subsidiaries and ranks ahead of unsecured creditors. The convertible debenture is separately secured by the parent company's personal property and a pledge of the shares of Touchstone Exploration (Barbados) Ltd. Scheduled bank debt principal repayments total $12,714,000 over the next twelve months, including the final $4,500,000 of Term Loan Facility 1, which matures in June 2027. Following that maturity, scheduled quarterly principal repayments will decrease from approximately $3.55 million to approximately $2.05 million. Future financial covenant compliance will depend on operating performance, commodity prices, capital expenditures and debt service requirements, and may require amendments or waivers in future periods if operating conditions deteriorate.

Further information regarding the Company's bank debt is included in Note 10 "*Bank Debt*" of the interim financial statements. Copies of the Loan Agreement and amendments are available on the Company's profile on SEDAR+ (www.sedarplus.ca).

Shareholders' Equity

Capital structure

The Company is authorized to issue an unlimited number of voting common shares without nominal or par value. The following table summarizes the Company's issued share capital and securities convertible into or exercisable for Company common shares as at the dates indicated.

	November 12, 2026	**September 30, 2026**	December 31, 2025
Common shares outstanding	**441,129,939**	**441,129,939**	324,733,609
Stock options outstanding	**4,887,500**	**4,887,500**	7,319,000
RSUs outstanding[(1)]	**4,419,551**	**4,419,551**	3,845,109
PSUs outstanding[(1)(2)]	**6,165,349**	**6,165,349**	4,083,309
Common shares issuable upon conversion of convertible debenture[(3)]	**57,305,276**	**57,305,276**	57,305,276
Warrants outstanding	**6,250,000**	**6,250,000**	6,250,000
Total potential dilutive common shares	**520,157,615**	**520,157,615**	403,536,303

Notes:
(1) May be settled in cash, the issuance of Company common shares or a combination of both 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 convertible debenture prior to its August 8, 2028 maturity date, excluding any common shares that may be issued in settlement of interest.

June 2026 integrated financing

On June 10, 2026, the Company completed the multi-jurisdictional Integrated Financing transaction, consisting of a common share private placement and the issuance of an unsecured, non-convertible debenture with a principal amount of $8,402,000 to Purebond Limited ("Purebond") pursuant to a subscription agreement dated June 4, 2026 (the "Purebond Debenture").

Prior to the Integrated Financing, Purebond held 50,000,000 common shares of the Company (approximately 15.4 percent of the issued and outstanding common shares on an undiluted basis), making Purebond a related party of the Company. Purebond is controlled by the Kansagra family. Mr. Bhupendra Kansagra, a director of the Company nominated by Purebond, holds a partial indirect economic interest in Purebond and accordingly recused himself from Board deliberations and voting regarding the financing.

The components of the Integrated Financing were structured as follows:

Component	Investor / distribution channel	Number of common shares issued	Gross proceeds *($000's)*
Purebond first tranche subscription	Direct subscription	20,235,000	1,894
United Kingdom placing	Accelerated bookbuild	4,285,713	401
Canada offering	Listed issuer financing exemption[(1)]	1,520,000	142
WRAP retail offer	Retail access platform	590,617	55
Total equity issuance		**26,631,330**	**2,492**
Purebond Debenture	Unsecured 5% debt	-	8,402
Total Integrated Financing		**26,631,330**	**10,894**

Note:
(1) Issued under Part 5A of National Instrument 45-106 – *Prospectus Exemptions*, as amended by Coordinated Blanket Order 45-935.

Equity issuances

The 26,631,330 common shares were issued at a price of 7 pence (C$0.13) per share, for gross proceeds of $2,492,000. Net proceeds after transaction costs of $720,000 totalled $1,772,000 and were recorded in shareholders' capital.

Purebond Debenture and July 2026 settlement

The Purebond Debenture was denominated and payable in United States dollars, bore interest at a rate of 5 percent per annum, and carried a contractual maturity date of June 10, 2028. The instrument was structured as an interim bridge to provide capital certainty pending regulatory and disinterested shareholder approvals required for Purebond to complete a larger equity subscription.

In connection with the Purebond Debenture issuance, the Company and Purebond entered into a repayment and subscription agreement dated June 10, 2026. On July 24, 2026, following the receipt of regulatory approvals and independent shareholder approval at the Company's annual and special meeting on July 23, 2026, the $8,402,000 Purebond Debenture was settled in full. Pursuant to the agreement, the $8,402,000 repayment amount was immediately redirected to subscribe for 89,765,000 common shares at the private placement issue price. Accrued interest on the Purebond Debenture of $51,000 was subsequently settled in cash.

Following completion of the resubscription, the Company had 441,129,939 common shares issued and outstanding. Purebond's total shareholdings increased to 160,000,000 common shares, comprising 50,000,000 previously held shares, 20,235,000 shares issued in the June 2026 private placement and 89,765,000 shares issued in the July 2026 subscription. This represented approximately 36.3 percent of the issued and outstanding common shares on an undiluted basis. Shareholders also approved Purebond becoming a control person of the Company at the July 23, 2026 meeting.

With the full settlement of the Purebond Debenture, the Company has no outstanding debt remaining from the Integrated Financing, resulting in total net equity funding of $10,174,000 (comprising net equity proceeds of $1,772,000 and the $8,402,000 Purebond Debenture).

Related party governance and regulatory compliance

Purebond's participation in the Integrated Financing constituted a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). A special committee composed entirely of independent directors evaluated the transaction structure, pricing and available capital market alternatives, and recommended approval to the Board.

In respect of the June 10, 2026 transactions, the Company relied on exemptions from formal valuation and minority shareholder approval requirements pursuant to sections 5.5(c) and 5.7(a) of MI 61-101 for Purebond's initial share subscription, and sections 5.5(c) and 5.7(f) for the Purebond Debenture issuance. The subsequent July 2026 share subscription was completed in reliance on section 5.5(c) of MI 61-101 and received disinterested shareholder approval at the July 23, 2026 shareholder meeting.

Capital Management

Management's long-term strategy is to maintain a strong and flexible capital structure that supports both operational stability and strategic growth. In a normalized commodity price environment, the Company's primary objective is to maintain a net debt to trailing twelve-month funds flow from operations ratio at or below 2.0 times. Management recognizes that this ratio may temporarily exceed the target during periods of elevated capital spending, strategic acquisitions or depressed commodity pricing.

The Company also monitors its capital structure using the net debt to managed capital ratio, with a strategy of maintaining a higher proportion of equity than debt, targeting a ratio below 0.4 times.

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

($000's)	**Target measure**	**September 30, 2026**	December 31, 2025
Net debt[(1)]		**57,344**	72,890
Shareholders' equity		**104,774**	93,668
Managed capital[(1)]		**162,118**	166,558
Trailing twelve-month funds flow from operations[(2)]		**14,971**	5,371
Net debt to funds flow from operations ratio[(1)]	At or < 2.0 times	**3.83**	13.57
Net debt to managed capital ratio[(1)]	< 0.4 times	**0.35**	0.44

Notes:
(1) Specified financial measure or ratio. Refer to the "*Advisories - Non-GAAP and Other Financial Measures*" section of this MD&A.
(2) Trailing twelve-month funds flow from operations as at September 30, 2026 represents the sum of funds flow from operations for the nine months ended September 30, 2026, and the three months ended December 31, 2025.

As at September 30, 2026, the Company's net debt to trailing twelve-month funds flow from operations ratio was 3.83 times, above the long-term target of 2.0 times. This primarily reflected the convertible debenture issued in August 2025 and bank debt drawn to fund the Central block acquisition and the 2025 capital program. The ratio improved from 13.57 times at December 31, 2025. Trailing twelve-month funds flow from operations increased to $14,971,000, reflecting a full nine months of Central block production and higher realized commodity prices in 2026. Net debt also decreased $15,546,000 to $57,344,000, primarily due to net proceeds from the Integrated Financing and funds flow from operations in excess of capital expenditures.

The Company's net debt to managed capital ratio was 0.35 times at September 30, 2026, within the Company's target of less than 0.4 times, compared to 0.44 times at December 31, 2025. The improvement reflected lower net debt and higher shareholders' equity following the equity issued in the Integrated Financing.

Management expects the net debt to funds flow from operations ratio to continue to move toward the Company's long-term target as funds flow from operations increases and net debt is reduced.

Contractual Obligations and 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. Obligations related to bank

debt and the convertible debenture are described under the "*Bank Debt*" and "*Convertible Debenture*" subheadings of this MD&A. The following table summarizes the Company's estimated undiscounted minimum contractual payments as at September 30, 2026.

($000's)	Total	Estimated payments due by year			
		Remainder of 2026	2027	2028	Thereafter
Operating agreement commitments					
CO-1 block	**4,105**	29	3,752	103	221
WD-4 block	**2,715**	1,229	1,279	65	142
WD-8 block	**1,424**	20	1,260	45	99
Balata East block	**2,541**	1,210	21	1,263	47
Central block	**2,732**	112	472	498	1,650
Cascadura area of Ortoire block	**655**	10	42	44	559
Coho area of Ortoire block	**363**	6	23	24	310
Exploration block commitments					
Charuma block	**8,249**	186	786	826	6,451
Cipero block	**22,058**	87	5,440	10,726	5,805
Ortoire block	**10,000**	10,000	-	-	-
Rio Claro block	**16,977**	90	5,454	10,741	692
Short-term and variable leases(1)	**852**	103	218	154	377
Total minimum payments	**72,671**	**13,082**	**18,747**	**24,489**	**16,353**

Note:
(1) Represents short-term lease commitments and variable based lease payments not recognized as lease liabilities. Lease liabilities recognized on the consolidated balance sheet are described under the subheading "*Lease Liabilities*" below.

Heritage Operating Agreement Commitments

Under its Heritage operating agreements, the Company is required to fulfil annual minimum work commitments. The WD-4 obligation is being met by the block's second development well, which was spud on October 29, 2026. Remaining 2026 obligations include the drilling of one development well on the Balata East block and two development wells on the CO-1 block. The CO-1 wells are expected to be drilled in 2027, as the Company is awaiting environmental approvals required to proceed. Touchstone is also in discussions with Heritage to evaluate alternatives for meeting the Balata East well obligation or deferring it to align with the Company's capital allocation priorities.

MEEI Licence Exploration Commitments

As at September 30, 2026, the Company was committed to drilling an aggregate of ten exploration wells across its exploration properties through 2029. Two of these wells are required under the Ortoire block licence, the exploration term of which expired on July 31, 2026. Touchstone and Heritage have requested a three-year extension of the exploration term and a deferral of the associated two-well drilling obligation, which remain subject to formal approval by the MEEI and execution of the related licence amendment.

Lease Liabilities

The Company leases a drilling rig, office facilities, vehicles and equipment. As at September 30, 2026, Touchstone had lease liabilities of $2,894,000, of which $1,494,000 was classified as non-current (December 31, 2025 - $4,241,000 and $2,982,000, respectively). Further information regarding the Company's lease obligations is included in Note 9 "*Lease Liabilities*" of the interim financial statements.

Market Risk Management

Touchstone is exposed to financial risks inherent in the international oil and natural gas industry, including commodity price, foreign exchange, interest rate, credit and liquidity risks. Management identifies and

manages these risks through business processes and internal controls, with oversight from the Board. The primary objective is to manage cash flow variability to ensure the Company can meet its financial obligations and fund its capital programs.

Commodity Price Risk

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 petroleum and natural gas development properties, the timing and scope of capital expenditures, and the Company's ability to meet its financial obligations.

Management continues to monitor forward commodity curves and may enter into risk management contracts (hedges) 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 sales consist of a mix of fixed-price and market-linked arrangements.

A 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 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.

Foreign Currency Risk

The Company is exposed to foreign currency exchange risk, where fluctuations in exchange rates may impact the fair value or future cash flows of financial assets and liabilities. Touchstone's primary exposures relate to the C$, the TT$ and the GBP relative to the US$ presentation currency. The Company does not currently utilize derivative instruments to hedge foreign exchange exposure.

Trinidad operations

The Company's crude oil sales are priced based on US$ benchmarks; however, the majority of settlement invoices are received in TT$. To manage this exposure, the Company utilizes a natural hedge strategy by:

- Expense matching**:** prioritizing the procurement of goods and services through TT$-denominated contracts to match local currency revenue.
- Currency indexing: sales of NGLs and natural gas are denominated and payable in US$, providing a direct hedge against US$-denominated obligations.

While the TT$ maintains an informal peg to the US$, any significant devaluation of the TT$ could impact the Company's ability to settle US$-denominated debt and interest payments.

Corporate

Touchstone is further exposed to fluctuations in the C$ and GBP due to:

- Head office costs**:** administrative and payroll expenses for the Canadian parent company are primarily incurred in C$.
- Listing maintenance: ongoing costs associated with the Company's AIM listing are denominated in GBP.
- Cash balances**:** the Company maintains varying levels of cash in C$ and GBP to meet these obligations.

Significant movements in the C$/US$ or £/US$ exchange rates can result in unrealized foreign exchange gains or losses recorded in the consolidated statements of comprehensive income (loss).

Interest Rate Risk

Interest rate risk arises from changes in market interest rates that may affect comprehensive income and cash flows. Touchstone's exposure is primarily related to its variable-rate debt obligations, where interest costs fluctuate based on prevailing market benchmarks.

The Company manages its interest rate exposure through a mix of fixed and floating rate instruments:

- Fixed-rate debt: the Company's Term Loan Facility 1 and convertible debenture carry fixed interest rates, providing protection against rising rates.
- Variable-rate debt: Term Loan Facility 2, Term Loan Facility 3 and the revolving loan facility are subject to interest rate risk. The interest rates for these facilities are reset annually based on the one-year term Secured Overnight Financing Rate plus applicable margins.

Management monitors global interest rate trends and central bank policies to assess potential impacts on the Company's cost of borrowing. While the Company does not currently utilize interest rate swaps or other derivative instruments to hedge this risk, it strives to maintain a disciplined approach to leverage.

Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Touchstone is primarily exposed to equity price risk through its cash-settled share-based compensation programs (including RSUs, PSUs and DSUs), which are revalued at the end of each reporting period based on the Company's closing share price. Fluctuations in the Company's

share price drive volatility in share-based compensation expense and dictate the ultimate cash required upon settlement.

Additionally, because the convertible debenture is measured at fair value through profit or loss, fluctuations in the Company's share price and other valuation inputs generate non-cash volatility in net income (loss).

The Company does not currently utilize financial derivative contracts to hedge equity price risk. Instead, Touchstone manages this exposure by monitoring outstanding award levels relative to its capital structure, with the Board retaining discretion to settle RSUs and PSUs in common shares to preserve liquidity.

Credit Risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is primarily exposed to third-party credit risk through its joint interest partners, commodity marketers and the Government of the Republic of Trinidad and Tobago ("GOTT"). Management considers the Company's overall credit risk to be low, as receivables are predominantly due from state-owned energy entities (Heritage and NGC) and a third-party LNG marketing company with an established payment history.

As at September 30, 2026, the Company's net accounts receivable balance was $18,846,000, excluding $8,571,000 of pass-through receivables to be remitted to the seller of the Central block entity upon collection. The following table details the composition and aging of the Company's accounts receivable as at September 30, 2026.

Composition	Counterparty	Balance due *($000's)*	Balance due *(%)*	Accounts receivable aging	
				0 to 90 days *($000's)*	Over 90 days *($000's)*
Petroleum and natural gas sales	Heritage, NGC and other	**4,628**	**25**	4,624	4
Joint interest billings	Heritage and NGC	**1,414**	**8**	1,257	157
Value-added tax	GOTT	**11,950**	**62**	876	11,074
Other	Various	**854**	**5**	701	153
Net receivable		**18,846**	**100**	**7,458**	**11,388**
Pass-through receivable[(1)]	Acquisition seller	**8,571**		8,571	-
Accounts receivable		**27,417**		**16,029**	**11,388**

Note:
(1) Represents receivables collected on behalf of the seller of the Central block entity, which are to be remitted upon collection pursuant to the share purchase agreement.

The Company has historically experienced extended collection timelines for VAT refunds owing from the GOTT. As at September 30, 2026, VAT receivables aged over 90 days totalled $11,074,000, an increase of $3,805,000 from December 31, 2025. No VAT refunds were collected during the three or nine months ended September 30, 2026 or through the date of this MD&A.

VAT receivables are statutory in nature and are not financial instruments. Management continues to assess the full VAT balance as recoverable, based on historical settlement precedent and the fact that the Company has not experienced a loss on amounts owing from the GOTT. However, the timing of recovery remains uncertain and affects the Company's liquidity (refer to the "*Liquidity and Going Concern*" section of this MD&A). Further details regarding financial assets and credit risk exposures are provided in Note 4 "*Financial Assets and Credit Risk*" of the interim financial statements.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. Touchstone manages liquidity with the objective of ensuring that sufficient resources are available to meet its obligations under both normal and stressed operating conditions.

The Company manages its liquidity and capital structure through financial and operational forecasts. These forecasts incorporate assumptions regarding production volumes, realized commodity prices, capital and exploration expenditures, operating costs, G&A expenses and Trinidad royalty and income tax obligations. Management updates these forecasts regularly to reflect changes in market conditions, capital allocation priorities and production expectations.

The following table outlines the contractual, undiscounted cash outflows and maturity profile of the Company's financial liabilities as at September 30, 2026.

($000's)	**Recognized as a liability in the financial statements**	**Undiscounted cash outflows**[1]	**Financial maturity by period**		
			Less than 1 year	**1 to 3 years**	**Thereafter**
Accounts payable and accrued liabilities[2]	Yes	**22,119**	22,119	-	-
Income taxes payable	Yes	**754**	754	-	-
Principal balance of convertible debenture[3]	Yes	**12,500**	-	12,500	-
Convertible debenture interest	No – recognized as incurred	**1,158**	625	533	-
Lease liabilities[4]	Yes	**3,436**	1,566	755	1,115
Principal balance of bank debt	Yes	**48,518**	12,714	25,804	10,000
Bank debt interest[5]	No – recognized as incurred	**6,808**	3,010	3,107	691
Share-based compensation liabilities[6]	Yes	**766**	595	171	-
Financial liabilities[7]		**96,059**	**41,383**	**42,870**	**11,806**

Notes:
(1) Undiscounted cash outflows represent total estimated future payments and may differ from financial statement carrying values.
(2) Excludes the current portions of lease liabilities and share-based compensation liabilities, which are presented separately.
(3) The convertible debenture is classified as a current liability due to the holder's conversion rights and is presented based on its contractual maturity of August 8, 2028. Any conversion would be settled in common shares.
(4) Includes both principal and notional interest components.
(5) Estimated using interest rates in effect as at September 30, 2026.
(6) Represents accrued liabilities for awards expected to be settled in cash.
(7) Excludes the $8,571,000 carrying value of the acquisition consideration payable to the seller of the Central block entity, which shall be remitted on collection of the related pass-through receivables.

Refer to the "*Liquidity and Going Concern*" section of this MD&A for further information regarding the Company's liquidity position and the material uncertainty related to its ability to continue as a going concern.

Management actively monitors cash flow projections and working capital, and has several measures available to manage the Company's liquidity:

- Capital allocation: adjusting the scale and timing of development and exploration expenditures to match available operating cash flow.
- Cost management: managing fixed costs across operating and corporate activities.
- VAT recovery: pursuing recovery of outstanding VAT receivables from the GOTT.
- Debt management: pursuing amendments to, or refinancing of, the Company's bank debt.
- Capital markets: accessing equity or alternative debt financing when appropriate.

Related Party Transactions

Purebond is a related party of the Company by virtue of its shareholding and its right to nominate a director to the Company's Board. Mr. Bhupendra Kansagra, a director of the Company nominated by Purebond,

holds a partial indirect economic interest in Purebond. As at September 30, 2026, Purebond held 160,000,000 common shares, representing approximately 36.3 percent of the Company's issued and outstanding common shares on an undiluted basis, compared to 50,000,000 common shares, or approximately 15.4 percent, before the Integrated Financing.

During the nine months ended September 30, 2026, Purebond subscribed for 20,235,000 common shares for gross proceeds of $1,894,000, at the same price as the other participants in the Integrated Financing, and was issued the $8,402,000 Purebond Debenture. The Purebond Debenture was repaid in full on July 24, 2026, and the repayment proceeds were applied to a related subscription by Purebond for 89,765,000 common shares at the same issue price. The Company incurred and paid interest of $51,000 on the Purebond Debenture during the nine months ended September 30, 2026. As at September 30, 2026, no amounts were owing to or from Purebond.

These transactions were evaluated and recommended by a special committee of independent directors and constituted related party transactions under MI 61-101. Refer to the "*Liquidity and Capital Resources - Shareholders' Equity*" section of this MD&A for further details regarding transaction governance, regulatory exemptions and disinterested shareholder approval.

Changes in Accounting Policies Including Initial Adoption

There were no changes in accounting policies during the three and nine months ended September 30, 2026 that had a material effect on the reported comprehensive income (loss) or net assets of the Company. Details regarding new accounting policies implemented by the Company are included in Note 3 "*Changes to Accounting Policies*" of the interim financial statements.

Standards Issued but Not Yet Effective

There are no standards or interpretations issued, but not yet adopted, that are anticipated to have a material effect on the reported comprehensive income (loss) or net assets of the Company.

IFRS 18 *Presentation and Disclosure in Financial Statements*, effective for annual periods beginning on or after January 1, 2027, will change the presentation of the consolidated statements of comprehensive income (loss) and require additional disclosure of management-defined performance measures. The Company has commenced its assessment of the standard, including the expected impacts on the presentation of its financial statements and related disclosures. The adoption of IFRS 18 is not expected to affect the recognition or measurement of the Company's assets, liabilities, income or expenses.

Further details regarding accounting standards that will affect the Company are included in Note 3 "*Changes to Accounting Policies*" of the interim financial statements.

Off-Balance Sheet Arrangements

The Company does not use special purpose entities, non-consolidated variable interest entities or structured finance arrangements.

In the normal course of business, the Company provides parent company guarantees to the MEEI to support work commitments under its exploration and production licences. These guarantees support the performance of the Company's operational obligations, such as the drilling of exploration or development wells, which are described in the "*Contractual Obligations and Commitments*" section of this MD&A. They are performance guarantees rather than financial guarantees, and no liability has been recognized in respect of them. Other than these guarantees, as at September 30, 2026 and the date of this MD&A, the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on its financial condition, results of operations, liquidity or capital expenditures.

Significant Accounting Estimates, Judgements and Assumptions

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

The significant estimates and judgements used in preparing the interim financial statements are consistent with those described in Note 5 "*Use of Estimates, Judgements and Assumptions*" of the audited 2025 financial statements. Significant judgements and estimates during the nine months ended September 30, 2026 included the assessment of the Company's ability to continue as a going concern, the fair value of the convertible debenture, the recoverability of VAT receivables and the estimation of reserves used to calculate depletion.

Business Risks

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

Please refer to the Company's December 31, 2025 Annual Information Form dated March 30, 2026 for a full understanding of risks that affect Touchstone, which is available on the Company's profile on SEDAR+ (www.sedarplus.ca) and website (www.touchstoneexploration.com). Refer to the "*Advisories - Forward-looking Statements*" section of this MD&A for additional information regarding the risks which Touchstone and its business operations are subject to.

In addition, the Company's ability to continue as a going concern is subject to a material uncertainty, as described in the "*Liquidity and Going Concern*" section of this MD&A.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Disclosure Controls and Procedures ("DC&P")

DC&P have been designed under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO by others, and that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control Over Financial Reporting ("ICFR")

ICFR has been designed under the supervision of the CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's ICFR during the period beginning on July 1, 2026 and ended on September 30, 2026 that materially affected, or were reasonably likely to materially affect, the Company's ICFR.

Summary of Quarterly Results

The following table summarizes the Company's unaudited quarterly results for the eight most recently completed fiscal quarters.

Three months ended	Sept. 30, 2026	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Operational								
Average daily production *(boe/d)*	**4,485**	4,433	4,658	4,876	5,142	4,399	4,317	5,286
Net wells drilled	**-**	1.00	1.00	0.65	0.80	0.80	-	-
Realized commodity price[1] *($/boe)*	**39.89**	43.30	29.92	24.53	26.84	27.50	28.60	27.85
Operating netback[1] *($/boe)*	**22.58**	24.37	13.73	9.41	12.38	12.59	15.83	14.17
Financial *($000's except per share amounts)*								
Petroleum and natural gas sales	**16,460**	17,466	12,543	11,001	12,696	11,007	11,113	13,543
Cash from (used in) operating activities	**5,933**	3,239	4,787	9,903	4,850	(234)	5,611	822
Funds flow from operations	**5,372**	7,128	1,848	623	735	1,433	2,580	3,614
Net income (loss)	**77**	2,340	(2,376)	13,621	(2,064)	(710)	41	(542)
Per share – basic and diluted	**0.00**	0.01	(0.01)	0.04	(0.01)	(0.00)	0.00	(0.00)
Capital expenditures[1]	**1,756**	1,515	3,224	7,443	9,602	4,659	6,673	3,106
Acquisition expenditures	**-**	-	-	-	-	28,400	-	-
Bank debt principal balance	**48,518**	52,071	55,625	57,750	59,875	62,000	33,500	35,000
Convertible debenture principal balance	**12,500**	12,500	12,500	12,500	12,500	-	-	-
Net debt[1]	**57,344**	68,709	76,072	72,890	77,753	63,887	33,330	29,109
Share Information *(000's)*								
Weighted average – basic	**418,689**	330,879	324,734	304,674	261,097	248,914	236,461	236,461
Weighted average – diluted	**418,689**	330,879	324,734	304,674	261,097	248,914	236,461	236,461
Outstanding shares – end of period	**441,130**	351,365	324,734	324,734	261,097	261,097	236,461	236,461

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

The oil and natural gas industry is inherently cyclical. Touchstone's financial position, results of operations and cash flows are principally affected by production levels and commodity prices. Fluctuations in commodity pricing indirectly impact production by altering the funds available for reinvestment in exploration, development and acquisition activities. Furthermore, sustained low commodity prices can reduce the quantities of reserves that are commercially recoverable, impacting the economics of future capital projects. The Company's capital program is dependent on cash generated from operating activities and access to capital markets.

Quarterly Highlights and Significant Items

- In the third quarter of 2026, production averaged 4,485 boe/d, a 1% increase from the second quarter of 2026, as the Cascadura facility compression project offset planned compressor maintenance and a 9,465-barrel increase in crude oil inventory. Funds flow from operations decreased 25% to $5.4 million from $7.1 million in the second quarter, primarily reflecting an 8% decrease in the realized commodity price per boe and the non-recurrence of a one-time G&A recovery recorded in the second quarter. Net income decreased to $0.1 million, compared to $2.3 million in the second quarter, primarily due to non-cash items, including the $0.8 million convertible debenture revaluation loss. Capital expenditures of $1.8 million were primarily directed toward drilling the PS-623 crude oil development well. Net debt decreased 17% to $57.3 million, reflecting

$3.6 million in bank debt principal repayments and the settlement of the $8.4 million debenture issued in the Integrated Financing through the issuance of common shares.

- During the second quarter of 2026, operating netback and funds flow from operations increased significantly from the first quarter of 2026, primarily driven by a 45% increase in the average realized commodity price. Capital expenditures were $1.5 million, and the Company completed a $10.2 million Integrated Financing, reducing net debt by 10% during the quarter to $68.7 million. The Company recognized net income of $2.3 million, compared to a net loss of $2.4 million in the first quarter of 2026.
- In the first quarter of 2026, Touchstone reported funds flow from operations of $1.8 million, an increase from the prior quarter driven by improved operating netbacks primarily reflecting stronger realized commodity pricing. The Company recorded a net loss of $2.4 million, compared to net income in the prior quarter, which included significant non-cash gains. Capital investments of $3.2 million were directed toward development and infrastructure projects, including the FR-1835 well, CR-3 tie-in and Cascadura compression project, and the Company ended the quarter with net debt of $76.1 million.
- In the fourth quarter of 2025, Touchstone reported net income of $13.6 million, primarily driven by non-cash items including a $9.5 million deferred tax recovery and a $5.0 million gain on asset dispositions. Funds flow from operations was $0.6 million, reflecting lower realized commodity prices and a 5% decrease in production volumes. Capital investments of $7.4 million were primarily directed toward the CR-3 development well on the Central block. Net debt decreased by 6% to $72.9 million, supported by an $8.4 million private placement completed during the quarter.
- In the third quarter of 2025, Touchstone recorded funds flow from operations of $0.7 million. The decline from the preceding quarter was driven by higher current income taxes, G&A and cash finance expenses, partially offset by higher operating netbacks. Capital investment of $9.6 million was focused on the Cascadura field. The Company completed a $12.5 million convertible debenture offering, ending the quarter with net debt of $77.8 million.
- In the second quarter of 2025, Touchstone completed the Central block acquisition, primarily financed via a new $30.0 million term loan, which increased net debt to $63.9 million. The acquired asset contributed approximately 965 boe/d, though funds flow from operations decreased to $1.4 million due to increased operating costs associated with the acquired assets.
- In the first quarter of 2025, Touchstone recorded funds flow from operations of $2.6 million, a 29% decrease from the previous quarter, following an 18% reduction in production. Capital expenditures of $6.7 million were directed toward Cascadura-4 well drilling and the Company ended the quarter with net debt of $33.3 million.
- In the fourth quarter of 2024, funds flow from operations was $3.6 million, reflecting a production-driven decrease. Capital spending of $3.1 million was primarily directed toward the Cascadura field. A net loss of $0.5 million was recorded, impacted by $2.3 million in exploration asset impairment expenses.

Advisories

Non-GAAP and Other Financial Measures

This MD&A or documents referred to in this MD&A reference various non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as such terms are defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure*. Such measures are not recognized measures under GAAP and do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar financial measures disclosed by other issuers. Readers are cautioned that the non-GAAP and other financial measures referred to herein should not be construed as alternatives to, or more meaningful than, measures prescribed by IFRS, and they are not meant to enhance the Company's reported financial performance or position. These are complementary measures that are commonly used in the oil and natural gas industry and by the Company to provide

shareholders and potential investors with additional information regarding the Company's performance, liquidity and ability to generate funds to finance its operations. Below is a description of the non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures disclosed in this MD&A.

Operating netback

Touchstone uses operating netback as a key performance indicator of field results. The Company considers operating netback to be a key measure as it demonstrates Touchstone's profitability relative to current commodity prices and assists Management and investors with evaluating operating results on a historical basis. Operating netback is a non-GAAP financial measure calculated by deducting royalty and operating expenses from petroleum and natural gas sales. The most directly comparable financial measure to operating netback disclosed in the Company's consolidated financial statements is petroleum and natural gas sales, 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 effectively analyze performance against prior periods on a comparable basis.

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

($000's unless otherwise stated)	**Three months ended September 30,**		**Nine months ended September 30,**	
	2026	2025	**2026**	2025
Petroleum and natural gas sales	**16,460**	12,696	**46,469**	34,816
Less: royalty expense	**(3,640)**	(2,837)	**(10,939)**	(8,308)
Petroleum and natural gas sales, net of royalties	**12,820**	9,859	**35,530**	26,508
Less: operating expense	**(3,503)**	(4,002)	**(10,627)**	(9,460)
Operating netback	**9,317**	5,857	**24,903**	17,048
Total production *(boe)*	**412,616**	473,031	**1,235,176**	1,261,835
Operating netback *($/boe)*	**22.58**	12.38	**20.16**	13.51

Cash and non-cash net finance expense

Cash and non-cash net finance expense are non-GAAP financial measures. The Company presents net finance expense as cash or non-cash components to demonstrate the portion of finance expense that is settled in cash, and to assist Management with evaluating results on a historical basis. Cash net finance expense is calculated as net finance expense determined in accordance with IFRS, less convertible debenture revaluations and issuance costs, lease liability modification gains or losses, other non-cash liability revaluations and accretion on bank debt and decommissioning obligations, all of which are non-cash in nature. The most directly comparable financial measure disclosed in the Company's consolidated financial statements is net finance expense.

The following table reconciles net finance expense to cash net finance expense for the periods indicated.

($000's)	**Three months ended September 30,**		**Nine months ended September 30,**	
	2026	2025	**2026**	2025
Net finance expense	**2,085**	1,741	**5,653**	4,073
Convertible debenture issuance expense	**-**	(167)	**-**	(167)
Convertible debenture revaluation loss	**(794)**	-	**(1,123)**	-
Lease liability modification gain	**5**	-	**108**	32
Other liability revaluation gain (loss)	**-**	9	**(502)**	(26)
Accretion on bank debt	**(37)**	(66)	**(106)**	(441)
Accretion on decommissioning liabilities	**(84)**	(95)	**(251)**	(246)
Cash net finance expense	**1,175**	1,422	**3,779**	3,225

Capital expenditures

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

($000's)	**Three months ended September 30,**		**Nine months ended September 30,**	
	2026	2025	**2026**	2025
E&E asset expenditures	**401**	402	**1,119**	1,220
PP&E expenditures	**1,355**	9,200	**5,376**	19,714
Capital expenditures	**1,756**	9,602	**6,495**	20,934
Acquisition expenditures	**-**	-	**-**	28,400
Abandonment fund expenditures	**132**	129	**376**	449
Net change in non-cash working capital	**1,302**	(2,019)	**9,093**	(7,297)
Cash used in investing activities	**3,190**	7,712	**15,964**	42,486

Working capital, adjusted working capital, net debt and managed capital

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

Working capital is calculated as current assets minus current liabilities as presented in the applicable consolidated balance sheet.

Management defines adjusted working capital as working capital excluding the carrying value of the convertible debenture. Management currently excludes the carrying value of the convertible debenture from working capital given the instrument has a maturity date in August 2028.

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

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

($000's)	**September 30, 2026**	December 31, 2025	September 30, 2025
Current assets	**(37,113)**	(39,525)	(40,280)
Current liabilities	**57,255**	64,930	68,621
Working capital deficit	**20,142**	25,405	28,341
Less: current portion of convertible debenture	**(11,102)**	(9,979)	(11,606)
Adjusted working capital deficit	**9,040**	15,426	16,735
Principal balance of long-term bank debt	**35,804**	44,964	48,518
Principal balance of convertible debenture	**12,500**	12,500	12,500
Net debt	**57,344**	72,890	77,753
Shareholders' equity	**104,774**	93,668	71,596
Managed capital	**162,118**	166,558	149,349

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

($000's)	**September 30, 2026**	December 31, 2025	September 30, 2025
Total liabilities	**132,287**	148,409	164,800
Lease liabilities	**(1,494)**	(2,982)	(3,073)
Share-based compensation liability	**(171)**	(126)	(153)
Decommissioning liability	**(12,106)**	(12,081)	(10,400)
Deferred income tax liability	**(25,630)**	(23,605)	(34,380)
Variance of carrying value and principal value of bank debt	**173**	279	345
Variance of carrying value and principal value of convertible debenture	**1,398**	2,521	894
Current assets	**(37,113)**	(39,525)	(40,280)
Net debt	**57,344**	72,890	77,753

Net debt to funds flow from operations ratio

The Company monitors its capital structure using the net debt to funds flow from operations ratio, which is a non-GAAP ratio and a capital management measure calculated as the ratio of the Company's net debt to trailing twelve months funds flow from operations for any given period. The Company's target is to maintain this ratio at or below 2.0 times in a normalized commodity price environment. This ratio may increase at certain times as a result of increased capital expenditures, acquisitions and/or low commodity prices.

Net debt to managed capital ratio

The Company further monitors its capital structure using a net debt to managed capital ratio, which is a non-GAAP ratio and capital management measure calculated as the ratio of the Company's net debt to managed capital. The Company's target is to maintain this ratio below 0.4 times, as Management's strategy is to utilize more equity than debt. This ratio may increase at certain times as a result of increased debt to finance capital expenditures and/or acquisitions.

Supplementary financial measures

The following supplementary financial measures are referenced herein.

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

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

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

Realized natural gas price - 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.

Realized natural gas price by property - is comprised of natural gas sales attributable to each property, based on internal allocations prepared by Management, divided by the natural gas production volumes of the respective property for the period.

Realized crude oil price differential - is calculated as the difference between the Brent benchmark price and the realized crude oil price per barrel, divided by the Brent benchmark price.

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

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

Effective royalty rate on legacy crude oil properties - is comprised of royalty expense attributable to the Company's legacy crude oil properties, divided by petroleum and natural gas sales from those properties.

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.

Operating expense per boe by property - is comprised of operating expense as determined in accordance with IFRS, allocated by property based on internal allocations prepared by Management, divided by the production volumes of the respective property for the period.

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

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

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

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

Forward-looking Statements

Certain information provided in this MD&A, including documents incorporated by reference herein, may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities laws. All statements and information, other than statements of historical fact, 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", "result in", "sustain", "estimate", "potential", "near-term", "long-term", "forecast" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. Readers are cautioned that the forward-looking statements are based on assumptions, and that the assumptions used in the preparation of such forward-looking statements, although considered reasonable at the time of preparation, may prove to be imprecise, and as such, undue reliance should not be placed on forward-looking statements.

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

- business plans, operational strategies, priorities, outlook and development plans;
- financial condition and outlook and results of operations, including future liquidity and financial capacity and expectations of future growth, expectations of future production levels and cash flows to be derived therefrom and the Company's ability to continue as a going concern;
- forecasts regarding crude oil, natural gas and LNG market pricing fundamentals and their impact on future funds flow from operations;
- the Company's natural gas contract pricing, including the NGC contract price redetermination effective October 2027 and future price redeterminations;
- expectations regarding the availability of the Atlantic LNG facility and the allocation of the Company's natural gas sales between applicable LNG marketing arrangements;
- expectations that liquidity ratios will improve in the future;
- future demand for the Company's petroleum and natural gas products and economic activity in general;
- general economic and political developments in Trinidad and globally;
- the performance characteristics of the Company's petroleum and natural gas properties, including current and future crude oil and liquids and natural gas production levels, estimated field production levels and estimated future production decline rates;
- expectations regarding the ability of the Company to raise capital and to continually add to reserves through exploration, acquisitions and development;
- future capital expenditure programs, including the anticipated timing of completion, allocation and costs thereof and the method of funding;
- future development and exploration activities to be undertaken in various areas and timing thereof, including the fulfilment of minimum work obligations and exploration commitments and the deferral of Heritage work commitments;
- the expected drilling of the CO-1 development wells in 2027, subject to environmental approvals, and the fulfilment or deferral of the Balata East development well obligation;
- terms and estimated future expenditures of the Company's contractual commitments and their timing of settlement, including ongoing discussions regarding terms of minimum work obligations;
- terms and title of exploration and production licences and the expected formal extension, renewal or execution of certain contracts;
- the timing and outcome of the Company's request to the MEEI for a three-year extension of the exploration period under the Ortoire licence and the related deferral of work commitments, including the execution of the related licence amendment;
- expectations regarding the Company's ability to fulfil the contractual obligations required to retain its rights to explore, develop and exploit any of its properties;
- receipt of anticipated and future regulatory approvals;
- access to third-party facilities and infrastructure;
- expected levels of royalty expense, operating expense, G&A expense, net finance expense, current income tax expense and other costs associated with the Company's business;

- treatment under current and future government regulatory regimes, environmental legislation and tax laws enacted in the Company's areas of operations and the resulting impact on the Company's capital and operating expenditures;
- current risk management strategies and the benefits to be derived therefrom, including the potential future use of commodity derivatives to manage commodity price risk;
- the foreign currency risk strategies of the Company, the benefits to be derived therefrom and the potential reversal of unrealized foreign exchange gains and losses in future periods;
- the Company's ability to reverse previously recognized non-financial asset impairment expenses in the future;
- credit risk assumptions and the Company's expectation to receive past due VAT amounts from the GOTT;
- future liquidity and future sources of liquidity and the Company's expectation to settle all current and future financial liabilities in a timely manner;
- future compliance with the Company's 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 convertible 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;
- effect of business and environmental risks on the Company; and
- the statements under "*Significant Accounting Estimates, Judgements and Assumptions*".

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

The Company's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits Touchstone will derive from them. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies, many of which are beyond the Company's control.

Material factors and assumptions

In preparing the forward-looking statements contained in this MD&A, Management applied a number of material factors and assumptions, including, without limitation, the following:

- Benchmark commodity price assumptions for crude oil, natural gas and LNG consistent with Management's internal forecasts and third-party consensus estimates, applied to the Company's anticipated production mix;

- foreign exchange rates between the TT$, the US$ and the C$ remaining consistent with recent historical levels;
- reservoir and well performance consistent with the Company's independent reserves evaluation and historical decline rates, with no unplanned shut-ins or material equipment failures;
- continued access to sufficient capital from funds flow from operations, capital markets and/or amendments to or refinancing of its existing credit facilities, on terms acceptable to the Company, to fund its capital expenditure program and satisfy its financial obligations as they become due;
- receipt, in the ordinary course and on anticipated timelines, of required regulatory, governmental and third-party approvals and consents, including in respect of licences, permits and exploration, production and infrastructure access rights;
- formal approval by the MEEI, on a timely basis and on terms consistent with the Company's expectations, of the requested extension of the exploration period under the Ortoire licence and the deferral of related work commitments;
- the Company's ability to fulfil, or to obtain relief, deferrals or extensions in respect of, minimum work obligations and exploration commitments under its licences and contracts;
- no material adverse change in the political, economic, fiscal or regulatory environment in Trinidad, or globally, that would affect the Company's operations, tax position or ability to conduct business;
- continued performance by the Company's customers, joint venture partners, service providers and other counterparties, including continued access to third-party gathering, processing, transportation and export facilities on commercially reasonable terms;
- royalty, operating, G&A and finance costs remaining consistent with the Company's historical experience and current contractual arrangements, adjusted for anticipated inflation;
- the Company's current interpretation of, and continued qualification under, applicable tax laws, royalty regimes and incentive programs in Trinidad, and collection of outstanding VAT receivables from the GOTT within anticipated timeframes;
- the Company's ability to remain in compliance with the financial covenants under its Loan Agreement and the terms of its convertible debenture, or to obtain waivers or amendments if required;
- market conditions and liquidity sufficient to permit the Company to implement its intended commodity price and foreign currency risk management strategies, where applicable;
- decommissioning cost estimates, inflation assumptions and discount rates remaining consistent with current regulatory requirements and industry practice; and
- the Company's business plans and outlook do not assume the completion of any undisclosed acquisition, disposition or other significant transaction.

The Company is exposed to numerous operational, technical, financial, regulatory and political risks and uncertainties, many of which are beyond its control, which could cause actual results to differ materially from those anticipated in the forward-looking statements. Additional information on these and other factors that could affect the Company's operations and financial results is included in reports on file with Canadian securities regulatory authorities and can be found on the Company's profile on SEDAR+ (www.sedarplus.ca).

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

Any forward-looking statement is made only as of the date of this MD&A, and Touchstone does not undertake any obligation 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 contained in this MD&A are expressly qualified by this cautionary statement.

Oil and Natural Gas Measures

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

Product Type Disclosures

This MD&A includes references to crude oil, NGLs, crude oil and liquids and natural gas total and average daily production volumes. In accordance with NI 51-101, disclosure of production volumes must include segmentation by product type as defined in the instrument. In this MD&A, references to "crude oil" refer to light and medium crude oil and heavy crude oil; references to "NGLs" refer to condensate and other NGLs, consisting of propane and heavier components; and references to "natural gas" refer to conventional natural gas, all as defined in the instrument. References to "crude oil and liquids" include crude oil and NGLs. Other NGLs represent allocated entitlements to propane and heavier NGL components extracted from natural gas delivered to the Atlantic LNG facility.

The Company's total and average production volumes for the past eight quarters, as well as all related references to "crude oil", "NGLs", "crude oil and liquids" and "natural gas" contained in this MD&A, represent the following product types as defined in NI 51-101 and are presented on a boe basis using a conversion ratio of 6 Mcf to 1 boe, where applicable. Totals in the table below may not add due to rounding.

Three months ended	Sept. 30, 2026	June 30, 2026	March 31, 2026	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Production								
Light and medium crude oil *(bbls)*	**77,040**	93,919	83,612	89,027	92,244	98,772	99,112	114,492
Heavy crude oil *(bbls)*	**-**	-	-	2,568	4,485	5,137	5,475	5,995
Crude oil *(bbls)*	**77,040**	93,919	83,612	91,595	96,729	103,909	104,587	120,487
Condensate *(bbls)*	**14,818**	14,068	11,983	11,654	13,532	7,892	3,466	11,087
Other NGLs *(bbls)*	**23,997**	28,590	26,030	26,303	26,573	11,203	-	-
Crude oil and liquids *(bbls)*	**115,855**	136,577	121,625	129,552	136,834	123,004	108,053	131,574
Conventional natural gas *(Mcf)*	**1,780,566**	1,600,697	1,785,452	1,914,018	2,017,185	1,663,683	1,682,796	2,128,528
Total production *(boe)*	**412,616**	403,360	419,200	448,555	473,031	400,285	388,519	486,329
Average daily production								
Light and medium crude oil *(bbls/d)*	**837**	1,032	929	968	1,003	1,085	1,101	1,244
Heavy crude oil *(bbls/d)*	**-**	-	-	28	49	56	61	65
Crude oil *(bbls/d)*	**837**	1,032	929	996	1,051	1,142	1,162	1,310
Condensate *(bbls/d)*	**161**	155	133	127	147	87	39	121
Other NGLs *(bbls/d)*	**261**	314	289	286	289	123	-	-
Crude oil and liquids *(bbls/d)*	**1,259**	1,501	1,351	1,408	1,487	1,352	1,201	1,430
Conventional natural gas *(Mcf/d)*	**19,354**	17,590	19,838	20,805	21,926	18,282	18,698	23,136
Average daily production *(boe/d)*	**4,485**	4,433	4,658	4,876	5,142	4,399	4,317	5,286

The Company's total and average production for the nine months ended September 30, 2026 and 2025 and references to "crude oil", "NGLs", "crude oil and liquids" and "natural gas" reported in this MD&A, consist of the following product types as defined in NI 51-101 and are presented on a boe basis using a conversion of 6 Mcf to 1 boe, where applicable. Totals in the table below may not add due to rounding.

	Nine months ended September 30,	
	2026	2025
Production		
Light and medium crude oil *(bbls)*	**254,571**	290,128
Heavy crude oil *(bbls)*	**-**	15,097
Crude oil *(bbls)*	**254,571**	305,225
Condensate *(bbls)*	**40,869**	24,890
Other NGLs *(bbls)*	**78,617**	37,776
Crude oil and liquids *(bbls)*	**374,057**	367,891
Conventional natural gas *(Mcf)*	**5,166,715**	5,363,664
Total production *(boe)*	**1,235,176**	1,261,835
Average daily production		
Light and medium crude oil *(bbls/d)*	**932**	1,063
Heavy crude oil *(bbls/d)*	**-**	55
Crude oil *(bbls/d)*	**932**	1,118
Condensate *(bbls/d)*	**150**	91
Other NGLs *(bbls/d)*	**288**	138
Crude oil and liquids *(bbls/d)*	**1,370**	1,348
Conventional natural gas *(Mcf/d)*	**18,926**	19,647
Average daily production *(boe/d)*	**4,524**	4,622

References to Touchstone

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

Abbreviations

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

Oil and natural gas measurement		Other	
bbl(s)	barrel(s)	AIM	AIM, a market operated by the London Stock Exchange
bbls/d	barrels per day	Brent	Brent crude oil benchmark based on futures traded on the Intercontinental Exchange
Mbbls	thousand barrels	C$	Canadian dollar
Mcf	thousand cubic feet	Henry Hub	Natural gas price at the Henry Hub in Louisiana, the benchmark for natural gas futures traded on the New York Mercantile Exchange
Mcf/d	thousand cubic feet per day	JKM	Japan Korea Marker, the benchmark price assessment for spot LNG cargoes delivered to Northeast Asia
MMcf	million cubic feet	LNG	Liquefied natural gas
MMcf/d	million cubic feet per day	NBP	Natural gas price at the National Balancing Point, the virtual natural gas trading hub in the United Kingdom

Oil and natural gas measurement		Other	
MMBtu	million British thermal units	NGL(s)	Natural gas liquid(s), which include, but are not limited to, condensate, ethane, propane, butanes and pentanes plus
boe	barrels of oil equivalent	TSX	Toronto Stock Exchange
boe/d	barrels of oil equivalent per day	TT$	Trinidad and Tobago dollar
Mboe	thousand barrels of oil equivalent	WTI	West Texas Intermediate, a light sweet crude oil that serves as the benchmark price for crude oil in North America and the underlying commodity for the New York Mercantile Exchange oil futures contract
		$ or US$	United States dollar
		£ or GBP	Pound sterling

Additional Information

Additional information related to Touchstone and factors that could affect its operations and financial results is included in reports on file with Canadian securities regulatory authorities, including the Company's audited 2025 financial statements and its Annual Information Form for the year ended December 31, 2025, dated March 30, 2026. These documents are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and on its website (www.touchstoneexploration.com).

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Paul R. Baay
Bhupendra Kansagra
Dr. Priya Marajh
Peter Nicol
Beverley Smith
Stanley T. Smith

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