



TOUCHSTONE ENTERS INTO CREDIT FACILITY

Calgary, Alberta – December 4, 2014 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX: TXP) announces that two of its indirect wholly-owned Trinidad subsidiaries, Touchstone Exploration (Trinidad) Ltd. and Primera Oil and Gas Limited (the “Borrowers”), have entered into an agreement with The Bank of Nova Scotia, as Administrative Agent, Collateral Agent and initial Lender, for a \$50 million USD denominated credit facility maturing on December 2, 2017. Scotiabank Trinidad and Tobago Limited acted as Sole Lead Arranger.

Up to \$15 million USD will be available immediately, with the remaining balance available following the periodic redetermination of the borrowing base calculated by the value assigned to the net proved reserves attributable to Touchstone’s onshore properties located in the Republic of Trinidad and Tobago. The proceeds borrowed under the credit facility will be used by the Borrowers for the exploration, development, production and sale of petroleum of those properties and for general corporate purposes.

The credit facility will bear interest at a rate equal to an adjusted LIBO rate or the lender's base rate, as defined, plus an applicable margin. The Company and its material subsidiaries other than the Borrowers have guaranteed the obligations of the Borrowers related to the credit facility. The credit facility is principally secured by a pledge of the Touchstone’s equity interests in its material subsidiaries, together with their respective assets.

The credit facility agreement contains certain restrictive covenants which include, but are not limited to, limitations on: indebtedness; restricted payments; mergers and consolidations; repayment of debt; investments, loans and advances; sales of assets and subsidiary equity; hedge terminations; amendments to organizational documents adverse to lenders or material debt agreements; affiliate transactions; liens; restrictions on dividends and distributions by restricted subsidiaries; and change in business and negative pledge agreements. The credit facility agreement also includes certain financial and production covenants, which require the maintenance of a minimum net debt to earnings (before interest, taxes, depreciation, depletion, amortization, other non-cash items and exploration costs) ratio, a maximum interest coverage ratio and minimum monthly production. In addition, the credit facility agreement contains customary events of default and provides for mandatory prepayments in certain circumstances.

Scott Budau, Chief Financial Officer, said “the Trinidad based credit facility provides us the financial flexibility to build upon our successful 2014 Trinidad drilling program into 2015.”

Touchstone Exploration Inc. is a Calgary-based company engaged in the business of acquiring interests in petroleum and natural gas rights, and the exploration, development, production and sale of petroleum and natural gas. Touchstone is currently active in onshore properties located in the Republic of Trinidad and Tobago and Western Canada. The Company’s common shares are traded on the Toronto Stock Exchange under the symbol “TXP”.

For further information please contact:

Mr. Scott Budau, Chief Financial Officer;
Mr. Paul R. Baay, Chief Executive Officer; or
Mr. Cameron MacDonald, Investor Relations Advisor
Telephone: (403) 750-4400

Forward-Looking Statements: *Certain information regarding the credit facility provided in this press release constitutes forward-looking statements. Forward-looking statements are necessarily based on a number of assumptions and judgments, including but not limited to, assumptions relating to the outlook for commodity and capital markets, and the regulatory and legal environment. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Except as may be required by applicable securities laws, Touchstone assumes no obligation to*

publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.