TOUCHSTONE ANNOUNCES YEAR END 2014 FINANCIAL RESULTS

Calgary, Alberta – March 31, 2015 – Touchstone Exploration Inc. ("Touchstone" or the "Company") (TSX: TXP) is pleased to announce its financial and operating results for the year ended December 31, 2014. Selected financial and operational information is presented below and should be read in conjunction with Touchstone's December 31, 2014 audited consolidated financial statements and related management's discussion and analysis. The Company also announces the filing of its Annual Information Form for the year ended December 31, 2014 which contains the Company's reserve data and other oil and gas information as required under National Instrument 51-101. Tabular amounts herein are in thousands of Canadian dollars and amounts in text are rounded to thousands of Canadian dollars unless otherwise stated.

2014 Annual Highlights

- Completed the May 13, 2014 corporate acquisition of Trinidad producing assets for total consideration of $33,448,000. The acquisition contributed 7,520 Mboe and 11,697 Mboe of proved and proved plus probable reserves, respectively.
- Executed a focused Trinidad development program, drilling 11.16 net wells. Net capital expenditures were $34,965,000 of which $23,650,000 were concentrated in our Trinidad core area. $17,462,000 of the Trinidad capital spending was directed at development drilling and recompletion opportunities.
- Achieved average corporate oil sales of 1,550 Bbls/d, 1,146 Bbls/d produced in Trinidad and 404 Bbls/d produced in Canada. From the May 2014 Trinidad asset acquisition date, pro forma average corporate production increased 25% from 1,900 Bbls/d to 2,376 Bbls/d in December 2014.
- Generated positive corporate funds flow from operations of $390,000 ($0.01 per basic share) compared to a loss of $6,126,000 (0.13 per basic share) recognized in 2013. Trinidad operations generated funds flow from operations of $9,587,000, offsetting Canadian funds flow losses of $9,197,000 recorded in 2014.
- Realized comprehensive income of $2,428,000 excluding impairments of $72,183,000 and related deferred tax recoveries of $17,425,000. The 2014 net comprehensive loss of $52,330,000 resulted primarily from non-cash property impairments. Canadian property impairments were recorded due to poor property operating results. Despite 2014 reserve increases in Trinidad, impairment charges were recorded as the acquired assets were recognized at their fair values prior to the decline in forward commodity prices.
- Established a Trinidad reserve based US$50 million secured term credit facility with an initial borrowing base of US$15 million. This provides Touchstone with further financial flexibility in light of prevailing commodity conditions.
- Acquired 19.5 (12 net) sections of Viking land in Beadle, Saskatchewan, which contributed 1,094 Mbbl in proved plus probable reserves in 2014.
- Entered into a one year Brent referenced financial swap for 800 Bbls/d at a price of US$70.60 in December 2014.
- Increased Trinidad proved reserves by 1,836 Mboe (100% oil) and proved plus probable reserves by 3,483 (100% oil) as a result of the 2014 drilling program.
- Delivered Trinidad proved and proved plus probable finding, development and acquisition costs of $10.85 per barrel and $8.23 per barrel, respectively (including future development costs). This resulted in a proved recycle ratio of 1.96 and a proved plus probable recycle ratio of 2.58.
- Increased Canadian proved reserves by 64% to 1,536 Mboe (97% oil weighted) and increased proved plus probable reserves by 107% to 3,046 Mboe (98% oil weighted).

Annual Financial and Operating Results

	Year ended December 31	
	2014	2013
Financial *($000's except share and per share amounts)*		
Petroleum sales	**42,570**	-
Funds flow from operations[1]	**390**	(6,126)
Per share – basic and diluted[1,2]	**0.01**	(0.13)
Net loss	**56,785**	52,874
Per share – basic and diluted[2]	**0.81**	1.08
Capital expenditures		
Exploration assets	**11,330**	25,132
Property and equipment	**23,635**	172
Acquisitions	**33,448**	-
Net capital expenditures	**68,413**	25,304
Total assets - end of period	**140,333**	96,839
Net debt (surplus)[1] - end of period	**6,450**	(50,201)
Weighted average shares outstanding[2]		
Basic and diluted	**70,245,489**	48,757,484
Outstanding shares[2] - end of period	**83,059,643**	48,721,412
Operating		
Average daily production (Bbls/day)	**1,550**	220
Average oil prices before derivatives ($/Bbl)[3]	**85.10**	64.82

Notes:

[1] See "*Non-GAAP Measures*"

[2] All current and comparative share amounts have been adjusted to reflect the two for one common share consolidation completed on May 13, 2014.

[3] Average realized prices include exploration property petroleum sales.

The May 2014 corporate acquisition transformed the Company's operations from a research program using in situ combustion technology to an international exploration and production operation capable of yielding positive economic returns. Funds flow from operations in 2014 increased $6,516,000 from 2013, as the acquired Trinidad assets contributed $9,587,000 of funds flow subsequent to the May 13, 2014 acquisition date.

Production volumes averaged 1,550 Bbls/d during the year (100% oil). Trinidad sales averaged 1,146 Bbls/d and Canadian average sales were 404 Bbls/d representing a combined increase of 605% from 2013. Canadian production increased 84% from 2013 and Trinidad average production contributed 1,803 Bbls/d throughout the post-acquisition period.

Effective July 1, 2014, the Company's Kerrobert and Luseland properties were deemed commercially viable and generated $1,026,000 in positive operating netbacks during the second half of 2014. Trinidad operating netbacks generated $14,114,000 during the year, as realized prices excluding financial derivatives were $89.93 per barrel versus $71.39 per barrel realized from Canadian oil sales.

With a continued focus on the development of the Company's core Trinidad resources, Touchstone invested $23,650,000 in Trinidad, with $17,462,000 directed at the drilling and completion of 11 development wells (11 net) during the year. Canadian capital expenditures were $11,315,000 during the year. Fourth quarter capital expenditures decreased to $698,000 as the Dawson steam pilot project was shut in as the Company focused on Trinidad development growth.

The net loss for 2014 was $56,785,000 compared to a loss of $52,874,000 recognized in 2013. The 2014 loss resulted primarily from non-cash property impairments of $35,491,000 recognized in Canada and $36,692,000 recorded in Trinidad. The Canada impairment was mainly a result of a $31,286,000 write-down of the Dawson assets, as the cyclical steam pilot project was terminated based on poor economic results. Despite 2014 reserve increases in Trinidad, impairment charges were recorded as the acquired assets were recognized at their fair values prior to the decline in forward commodity prices. Furthermore, the decline in the Canadian dollar in the second half of 2014 contributed approximately $8.8 million to the Trinidad asset write-down.

Excluding the non-cash impairments and the related $17,425,000 Trinidad deferred tax recovery, a net loss of $2,027,000 and net comprehensive income of $2,428,000 was recognized in 2014.

2015 Outlook

Touchstone's capital program for 2015 remains flexible since the Company has minimal commitments or financial obligations in Canada and Trinidad. The Company plans to conserve capital and apply a prudent approach to capital expenditures. The Company is targeting to spend operating cash flows in an effort to retain balance sheet strength by eliminating expenditures that have no immediate value at current prices. Building on general and administrative cost reductions achieved in the first quarter of 2015, the Company is continuing to actively pursue significant cost reductions to its operating and general and administrative expenses. Furthermore, the Company remains focused on improving the balance sheet through non-core asset dispositions in 2015.

In the first quarter of 2015 Touchstone has focused on operational incentives which will ensure the sustainability and future profitability of the Company in a repressed commodity price environment. In Canada, the Company has continued its focus on evolving to a conventional production model and has aggressively targeted operating cost reductions in Saskatchewan. For the first two weeks of March, field production in Canada averaged approximately 275 Bbls/d from the Company's Luseland and Kerrobert properties. In March 2015, the Company entered into an agreement to sell a portion of the Luseland property which includes approximately 45 Bbls/d of heavy oil production for cash consideration of $2.2 million.

In Trinidad, Touchstone has likewise focused on reducing operating costs thereby ensuring that all production activity is achieved with sustainability and profitability in mind. Service rig utilization has been deliberately limited to Company owned equipment with a focus on projects with immediate value. The Company recompleted six wells in the first quarter of 2015 and continues to optimize production achieved from the 2014 drilling program. Field production for the first two weeks of March averaged approximately 1,850 Bbls/d with approximately 150 Bbls/d behind pipe. Touchstone has received approvals for the drilling of six wells and is planning on resuming the Company's drilling program in late June or early in the third fiscal quarter, commodity prices permitting.

The Company will continue its measured approach to maintaining and growing production in Canada and Trinidad and, as previously announced, will review capital programs on a quarterly basis.

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".*

Further Information

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ADVISORIES

Oil and Natural Gas Reserves: The disclosure in this press release summarizes certain information contained in the Reserves Report but represents only a portion of the disclosure required under NI 51-101. Full disclosure with respect to the Company's reserves as at December 31, 2014 will be contained in the Company's annual information form for the year ended December 31, 2014 which will be filed on SEDAR (www.sedar.com) on or about March 31, 2014.

Barrels of oil Equivalent: Oil and natural gas reserves are converted to common units of measure on a basis of six thousand cubic feet of natural gas to one barrel of oil. Boes may be misleading, particularly if used in isolation. The forgoing conversion 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. Given that the value ratio based on the current market price of oil as compared to natural gas is significantly different than the energy equivalency of six to one, utilizing a conversion on a six to one basis may be misleading as an indication of value.

Non-GAAP Measures: This press release contains terms commonly used in the oil and natural gas industry, such as funds flow from operations, funds flow from operations per share, operating netback, funds flow netback and net debt. These terms do not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Funds flow from operations includes all cash generated from operating activities and is calculated before changes in non-cash working capital. The Company calculates funds flow from operations per share by dividing funds flow from operations by the weighted average number of common shares outstanding during the applicable period. Operating netbacks are presented on a per barrel basis and are calculated by deducting royalties and operating expenses from petroleum sales. Funds flow netbacks are presented on a per barrel basis and are calculated by deducting royalties, operating expenses, general and administrative expenses, transaction costs, finance costs and current income tax expenses from petroleum sales. Net debt is calculated by summing the Company's working capital and non-current interest bearing instruments. Working capital is defined as current assets less current liabilities. Management uses these non-GAAP measures for its own performance measurement and to provide stakeholders with measures to compare the Company's operations with those of its peers.

Forward-Looking Statements: Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements regarding the Company's production levels, projected capital expenditures, sufficiency of resources to fund operations and plans related to and the timing of certain projects. 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, the success of future resource evaluation and development activities, the performance of producing wells and reservoirs, well development and operating performance, general economic conditions, weather, 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. You can find a discussion of those risks and uncertainties in the Company's Canadian securities filings. Such factors include, but are not limited to: general economic, market and business conditions; weather conditions and access to properties; fluctuations in oil prices; the results of exploration and development drilling, recompletions and related activities; timing and rig availability; outcome of exploration contract negotiations; fluctuation in foreign currency exchange rates; the uncertainty of reserve estimates; changes in environmental and other regulations; uncertainties associated with the regulatory review and approval process in respect to projects; risks associated with the application of early stage technology; risks associated with oil and gas operations and other factors, many of which are beyond the control of Touchstone. There is no representation by Touchstone that actual results achieved during the forecast period will be the same in whole or in part as those forecasted. 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.