



NEWS RELEASE

TOUCHSTONE ANNOUNCES AGREEMENT TO ACQUIRE STRATEGIC ONSHORE TRINIDAD PRODUCING ASSETS

Calgary, Alberta – October 21, 2015 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX: TXP) announces that it has entered into an agreement to purchase certain onshore producing assets from Trinity Exploration and Production Plc (“Trinity”) for cash consideration of US\$20.8 million prior to adjustments (the “Acquisition”). The Acquisition is consistent with Touchstone’s strategy of acquiring operated low decline oil production with large volumes of original oil in place.

Pursuant to the Acquisition, the Company will be acquiring a 100% working interest in five blocks located in the Southern Basin of the Republic of Trinidad and Tobago (“Trinidad”) with a current estimated average field production of approximately 1,490 barrels of oil per day. Touchstone is expecting to fund the Acquisition through cash on hand and its existing bank facility. In addition, Touchstone is negotiating terms of the expansion of its bank facility and, depending on the outcome of those discussions, will complete the funding of the Acquisition with additional debt and/or equity. In conjunction with the signing of the agreement, Touchstone has paid a US\$2.08 million deposit to Trinity which is not refundable if the Acquisition fails to close due to a breach of the agreement by Touchstone. The Acquisition is conditional upon the approval of Trinity shareholders and is further subject to the receipt of all necessary regulatory approvals and the satisfaction of closing conditions customary in transactions of this nature. The Acquisition is expected to close by January 2016 and will be effective as at the completion date.

The five producing properties – Fyzabad-2, WD-2, WD-5/6, WD-13, and WD-14 – cover an aggregate 4,141 net working interest acres. The properties are governed by Lease Operating Agreements with the Petroleum Company of Trinidad and Tobago, a structure under which Touchstone currently operates four producing blocks in Trinidad. Fyzabad-2, WD-13, and WD-14 adjoin the Company’s Fyzabad block while WD-5/6 and WD-2 are contiguous with Touchstone’s WD-4 block. The increased production base and physical synergies of the combined assets are expected to yield immediate and material improvements to Touchstone’s existing cost structure. The Acquisition will immediately add three years of development drilling inventory to the Company’s portfolio as well as adding several low risk exploration locations offsetting recent drilling successes. FirstEnergy Capital Corp. acted as financial advisor to Touchstone with respect to the Acquisition.

Advisory Regarding Forward-Looking Statements

Certain information provided in this press release may constitute forward-looking statements within the meaning of applicable securities laws. This information includes, but is not limited to, information regarding the Acquisition, expectations and assumptions concerning completion of the Acquisition and financing therefor, and the benefits to be acquired therefrom including drilling, exploration and production potential, operating costs and other economics. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. For the purposes of this press release, the Company has assumed that the information received from Trinity and other sources regarding production on the blocks is accurate, and that the Company’s estimates of prospective drilling locations, synergistic savings and potential production results are reasonable. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties, including unexpected declines in production, expenses or costs associated with the Acquisition beyond what is anticipated, unforeseen geophysical or geological structures, failing to complete the Acquisition on terms that are acceptable to the Company or at all. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Certain of these risks are set out in more detail in the Company’s Annual Information Form dated March 30, 2015 which has been filed on SEDAR and can be accessed at www.sedar.com. The forward-looking statements contained in this press release are made

as of the date hereof and except as may be required by applicable securities laws, the Company 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.

About Touchstone

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".

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