



TOUCHSTONE ANNOUNCES PROPOSED ADMISSION TO AIM AND CONDITIONAL PLACING OF 20,000,000 COMMON SHARES

Calgary, Alberta – May 25, 2017 – Touchstone Exploration Inc. ("Touchstone" or the "Company") (TSX: TXP) announces that it is proposing to raise approximately \$2.552 million through a private placement ("Private Placement"). A total of 20,000,000 new common shares have been conditionally placed ("Placing Shares"), at an issue price of 7.25 pence sterling (approximately C\$0.1276) per Placing Share ("Placing Price") with new United Kingdom institutional investors.

In addition, the Company announces its intention to seek a dual listing by applying for admission of its issued and to be issued common shares of no par value ("Common Shares") to trading on the AIM market of the London Stock Exchange ("Admission"). Dealings are expected to commence on AIM on June 26, 2017.

The issuance of the Placing Shares is conditional on customary closing conditions, including the Admission becoming effective and the approval of the Private Placement by the Toronto Stock Exchange ("TSX"). The Company's Common Shares will continue to trade on the TSX along with AIM under the trading symbol TXP. The Placing Price represents a 20 percent discount to C\$0.1589, which is the volume weighted average price of the Company's Common Shares for the five trading days ending May 17, 2017. A price protection form was filed with the TSX on May 17, 2017. The Placing Price was negotiated at arm's length between the Company and the joint brokers.

Paul Baay, President and Chief Executive Officer of Touchstone said, "I am delighted to announce our intention to dual list on AIM. We have a low risk, cash-generative production company in a proven petroleum region. Our growth strategy involves an initial program for the drilling of four new wells and 24 well recompletions in 2017, of which we are pleased to announce the first well has reached target depth. I look forward to welcoming our new investors when Touchstone lists on AIM."

Touchstone believes the dual listing provides a number of advantages, which includes:

- enhancing liquidity for the Company's shareholders and providing direct access to the London capital markets;
- enabling the Company to access a wider range of potential investors and broaden its investor base;
- improving the Company's ability to access further funding from international capital markets and to finance the future growth of the business consistent with its current strategy; and
- enhancing the Company's reputation and financial standing within Trinidad.

The gross proceeds of the Private Placement are expected to be approximately \$2.552 million which, together with existing cash balances, are expected to be used in drilling and development operations in 2017, for settlement of fees in respect of the transaction, and for general working capital purposes.

Shore Capital is acting as Nominated Adviser and Joint Broker to the Company alongside GMP FirstEnergy who is acting as Joint Broker. Additional information is available in the Appendix to the AIM Schedule One Pre-Admission Announcement, which will be available on the Company's website (www.touchstoneexploration.com).

Publication of Competent Person's Report ("CPR")

In conjunction with the dual-listing of the Company's Common Shares on AIM, the Company appointed GLJ Petroleum Consultants Ltd. to prepare a CPR which estimated the reserves associated with the Company's interests in Trinidad as at December 31, 2016. A summary of the gross reserves associated with the Company's interests in Trinidad are presented in the table below.

	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Total Oil (Mbbbl)
Proved			
Proved producing	3,955	651	4,606
Proved non-producing	735	213	948
Proved undeveloped	2,890	533	3,423
Total Proved	7,580	1,397	8,977
Probable	5,914	808	6,722
Total Proved Plus Probable	13,494	2,205	15,698
Possible	4,020	657	4,678
Total Proved Plus Probable Plus Possible	17,514	2,862	20,376

Notes:

1. Gross Reserves are the Company's working interest share of the remaining reserves before deduction of any royalties.
2. Amounts may not add due to rounding.
3. See "Other Advisories".

The CPR will be filed under the Company's issuer profile on SEDAR (www.sedar.com) and on the Company's website (www.touchstoneexploration.com).

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. The Company's common shares are traded on the Toronto Stock Exchange under the symbol "TXP".

Advisories

For reference purposes in this press release, one British pound has been translated into Canadian dollars at a rate of 1 to 1.76.

Forward-Looking Statements

Certain information regarding Touchstone set forth in this press release, including assessments by the Company's Management of the Company's plans and future operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and other similar expressions. Statements relating to "reserves" are deemed to be 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. Such statements represent the Company's internal projections, estimates or beliefs concerning future growth, results of operations based on information currently available to the Company based on assumptions that are subject to change and are beyond the Company's control, such as: production rates and production decline rates, the magnitude of and ability to recover oil and gas reserves, plans for and results of drilling activity, well abandonment costs and salvage value, the ability to secure necessary

personnel, equipment and services, environmental matters, future commodity prices, changes to prevailing regulatory, royalty, tax and environmental laws and regulations, the impact of competition, future capital and other expenditures (including the amount, nature and sources of funding thereof), future financing sources, business prospects and opportunities, among other things. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

In particular, forward-looking statements contained in this press release include, but are not limited to, statements with respect to: the Private Placement, including the number of Placing Shares, the Placing Price, the gross proceeds generated therefrom and the anticipated uses of those proceeds; the Admission, including the expected commencement of dealings thereunder and benefits therefrom; projected production volumes; operating and development costs; estimated reserves, including the life index thereof and the discounted present value of future net revenues therefrom; exploration, development and associated operational plans and strategies (including planned drilling and recompletion programs), and the anticipated timing of, and sources of funding for, such activities; and the terms of the Company's contractual commitments and the Company's compliance therewith, including fulfilment of minimum work obligations and repayment of loans.

The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results. The risk factors applicable to the Company are set out in the Company's Annual Information Form dated March 21, 2017, which has been filed on SEDAR (www.sedar.com). Readers are cautioned that the assumptions used in the preparation of such information, 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. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Other Advisories

The disclosure in this press release summarizes certain information contained in the CPR and the Company's December 31, 2016 reserves report, but represents only a portion of the disclosure required under National Instrument 51-101 – Standards for Disclosure of Oil & Gas Activities. Full disclosure with respect to the Company's reserves as at December 31, 2016 is contained in the Company's Annual Information Form for the year ended December 31, 2016 which is filed under the Company's issuer profile on SEDAR (www.sedar.com). All evaluations and reviews of future net revenues use GLJ Petroleum Consultants Ltd.'s standard price forecasts effective January 1, 2017 and are stated prior to any provision for finance expenses or general and administrative costs and after the deduction of estimated future capital expenditures and estimated future well abandonment costs. It should not be assumed that the present worth of estimated future net revenues contained in the CPR represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserves estimates of crude oil provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may be greater than or less than the estimates provided herein.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

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