



TOUCHSTONE ANNOUNCES OPERATIONAL UPDATE

Calgary, Alberta – January 15, 2019 – Touchstone Exploration Inc. (“Touchstone” or the “Company”) (TSX / LSE: TXP) announces an operational update.

Highlights

- Delivered an average of 1,900 barrels per day (“bbls/d”) of field estimated crude oil production through the first 13 days of January 2019.
- Achieved average fourth quarter 2018 crude oil sales of 1,851 bbls/d, a 28% percent increase relative to the 1,448 bbls/d produced in the prior year comparative quarter.
- Realized average 2018 annual crude oil sales of 1,718 bbls/d, representing an increase of 25% from 2017 annual sales.
- Drilled three wells in the fourth quarter of 2018, bringing the aggregate number of development wells drilled in 2018 to 11, which made Touchstone the most active onshore upstream company in Trinidad.
- Performed seven and 28 well recompletions during the three months and year ended December 31, 2018, respectively.
- Received a Certificate of Environmental Compliance (“CEC”) for four drilling locations on our Ortoire exploration property.

The Company has received significant interest from industry partners to participate in the exploration and development of our Ortoire exploration property. With minor development work obligations and our identified Ortoire exploratory prospects, Touchstone is currently considering the best allocation of capital to deploy in 2019 to our development drilling and exploration program.

Drilling Operations

In 2018, Touchstone drilled a total of 11 of our budgeted 14 development wells. As previously announced, two of the budgeted shallow locations at our South Palo Seco property were deferred indefinitely due to external surface lease issues. We voluntarily postponed drilling the remaining WD-8 well in late December due to the decline in crude oil prices. Despite the reduced development program, we expect to reach our near-term average production target of 2,000 bbls/d in January 2019.

During the fourth quarter of 2018, we successfully drilled two wells on the WD-8 block and one well on our WD-4 property.

The FR-1800 well was spud on November 1, 2018 and reached a total depth of 4,700 feet. Wireline logs indicated the presence of approximately 588 feet of net oil pay, 456 feet in the Forest formation and 132 feet in the Cruse formation. The well was completed on December 21, 2018.

The FR-1801 well was spud on December 10, 2018 and reached a total depth of 4,564 feet on December 23, 2018. Wireline logs indicated the presence of approximately 306 feet of net oil pay, with 188 feet in the Forest formation and 118 feet in the Cruse formation. The well was completed on January 4, 2019.

Both wells are currently flowing up casing at a combined average field estimated production rate of approximately 242 bbls/d (based on the previous seven days to January 13, 2019). The Company anticipates that initial flush production rates will likely decrease, with the wells being placed on pump during the first quarter of 2019.

PS-605 was spud on our WD-4 block on December 4, 2018, reaching a total depth of 7,250 feet on December 27, 2018. Wireline logs indicated the presence of approximately 608 feet of net oil pay, with 461

feet in the Forest formation and 147 feet noted in the Cruse formation. Completion operations have commenced on PS-605 and are expected to be concluded by early February.

Ortoire Block

Touchstone has been proceeding with regulatory approvals required to drill on our Ortoire exploration property. To drill a well, the Company must initially obtain a well location CEC and then proceed to apply for a standard well drilling licence.

The Company has submitted all required documentation for four CECs, which represent a total of 14 drilling locations. One CEC covering four drilling locations has been approved to date, and the Company anticipates that a second CEC for four additional locations will be approved within the next 30 days. In addition, the Company has also identified two rigs that may be used for future drilling operations.

We have commissioned our independent external reserve evaluators to conduct evaluation reports for three internally identified prospects on the property. The reports will assist the Company in validating the technical data associated with the prospects, and a summary of the results will be published when finalized.

The Petroleum Company of Trinidad and Tobago Limited (“Petrotrin”) Restructuring

Effective December 1, 2018, Petrotrin transferred its upstream assets to the newly formed Heritage Petroleum Company Limited. Although the transition impacted sales volumes in the last week of November, the Company has not encountered further sales interruptions to date. From an operations perspective, the transition has been seamless, with only minor delays noted for existing well workover approvals.

Paul R. Baay, President and Chief Executive Officer, commented:

“We are very pleased to continue to deliver positive production results, as evidenced by our 25% year over year oil sales growth. As we move into 2019, we are seeking to prioritize the exciting exploration opportunities we have identified at Ortoire together with the predictable development drilling inventory we have amassed to date.”

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 and the AIM market of the London Stock Exchange under the symbol “TXP”.

Forward-Looking Statements

Certain information provided in this news release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking information in this news release may include, but is not limited to, statements relating to current field estimated crude oil production volumes, the quality and quantity of prospective hydrocarbon accumulations as indicated by wireline logs, the expected timing of regulatory approvals, the potential undertaking, timing, locations, production rates and costs of future well drilling, completion and exploration activities, and the sufficiency of resources and available financing to fund future exploration, drilling and completion operations. 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. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. 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 December 31, 2017 Annual Information Form dated March 26, 2018 which has been filed on SEDAR and can be accessed at www.sedar.com. The forward-looking statements

contained in this news release are made as of the date hereof, and except as may be required by applicable securities laws, the Company assumes no obligation to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

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