



TOUCHSTONE ANNOUNCES 2018 YEAR-END RESERVES

Calgary, Alberta – March 7, 2019 – Touchstone Exploration Inc. ("Touchstone" or the "Company") (TSX / LSE: TXP) announces the results of its independent reserves evaluation as at December 31, 2018. Reserve numbers provided herein were derived from an independent reserves report (the "Reserves Report") prepared by GLJ Petroleum Consultants Ltd. ("GLJ") effective December 31, 2018.

All currency amounts are in United States dollars ("US\$") unless otherwise stated.

The financial information contained herein is based on the Company's unaudited expected results for the year ended December 31, 2018 and is subject to change.

2018 Year-end Reserve Report Highlights

- Increased proved ("1P") reserves by 5% to 11,222 Mbbl and increased proved plus probable ("2P") reserves by 4% to 19,275 Mbbl from the prior year.
- Replaced 2018 annual production by 178% on a 1P reserves basis and 218% on a 2P reserves basis.
- Realized an after tax 1P 10% discounted net present value of future net revenues ("NPV") of \$79.8 million, an increase of \$12.1 million or 18% from the prior year.
- Achieved an after tax 2P 10% discounted NPV of \$145.4 million, representing an increase of 14% from \$127.4 million in 2017.
- Future development costs ("FDC") associated with only a portion of our internally identified drilling location inventory and portfolio of low risk recompletion projects totaled \$46.0 million for 1P reserves and \$68.6 million for 2P reserves.
- Realized 1P finding, development and acquisition ("FD&A") costs of \$12.71 per barrel, resulting in a 2.2 times recycle ratio using our unaudited annual 2018 operating netback of \$27.34 per barrel.
- Achieved 2P FD&A costs of \$10.85 per barrel. Using the unaudited annual 2018 estimated operating netback, the 2P FD&A recycle ratio was 2.5 times.
- The Reserves Report included only those reserves associated with our development properties and did not include our previously announced estimated resources associated with our Ortoire exploration block prospects.

James Shipka, Chief Operating Officer, commented:

"The updated reserves evaluation validated our strong base production and reflected the results of our successful 2018 development drilling campaign. Solid 2018 reserves growth was achieved from our low decline production base and drilling success. Capital efficiencies seen in our low finding and development costs and strong recycle ratios support our belief in organic growth through the drill bit complemented by low cost recompletions."

2018 Year-end Reserves Report Summary

Touchstone's year-end crude reserves in Trinidad were evaluated by independent reserves evaluator GLJ in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Additional reserves information as required under NI 51-101 will be included in the Company's Annual Information Form, which will be filed on SEDAR on or before March 31, 2019. The reserve estimates set forth below are based upon GLJ's Reserve Report dated March 6, 2019 with an effective date of December 31, 2018. All values in this news release are based on GLJ's forecast prices and estimates of future

operating and capital costs as at December 31, 2018. In certain tables set forth below, the columns may not add due to rounding.

Summary of Gross Oil Reserves as of December 31, 2018 by Product Type^{(1),(2)}

Reserves Category	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Total Oil Equivalent (Mbbbl)
Proved			
Developed Producing	4,719	461	5,180
Developed Non-Producing	1,482	217	1,699
Undeveloped	3,785	558	4,343
Total Proved	9,986	1,236	11,222
Probable	7,298	755	8,053
Total Proved plus Probable	17,284	1,991	19,275
Possible	5,564	611	6,265
Total Proved plus Probable plus Possible	22,938	2,602	25,540

Notes:

- (1) Gross Reserves are the Company's working interest share of the remaining reserves before deduction of any royalties.
(2) See "Advisories: Reserve Advisory".

Summary of Net Present Values of Future Net Revenue as of December 31, 2018^{(1),(2)}

Reserves Category	Net Present Values of Future Net Revenues Before Income Taxes Discounted at (% per year) (US\$000's)				
	0%	5%	10%	15%	20%
Proved					
Developed Producing	106,422	76,788	62,572	53,898	47,864
Developed Non-Producing	81,704	59,930	49,142	41,968	36,659
Undeveloped	142,421	106,112	81,816	64,791	52,406
Total Proved	330,548	242,830	193,530	160,657	136,929
Probable	368,384	248,422	184,476	144,523	117,239
Total Proved plus Probable	698,932	491,252	378,006	305,180	254,168
Possible	301,629	175,091	122,301	93,724	75,742
Total Proved plus Probable plus Possible	1,000,561	666,343	500,307	398,904	329,910

Reserves Category	Net Present Values of Future Net Revenues After Income Taxes ⁽³⁾ Discounted at (% per year) (US\$000's)				
	0%	5%	10%	15%	20%
Proved					
Developed Producing	47,110	38,230	33,522	30,365	27,980
Developed Non-Producing	28,537	21,578	18,082	15,759	14,044
Undeveloped	50,922	37,286	28,153	21,742	17,078
Total Proved	126,568	97,093	79,757	67,866	59,102
Probable	129,216	88,061	65,620	51,406	41,636
Total Proved plus Probable	255,784	185,154	145,378	119,272	100,739
Possible	101,777	61,598	43,764	33,833	27,514
Total Proved plus Probable plus Possible	357,561	246,752	189,142	153,105	128,253

Notes:

- (1) Based on GLJ's December 31, 2018 escalated price forecast. See "Summary of Pricing and Inflation Assumptions".
(2) See "Advisories: Reserve Advisory".
(3) Income taxes include all resource income, appropriate income tax calculations per current Republic of Trinidad and Tobago tax regulations and estimated December 31, 2018 consolidated tax pools and non-capital losses.

Summary of Pricing and Inflation Assumptions

The following table sets forth the benchmark reference prices and inflation rates reflected in the Reserves Report.

Forecast Year	NYMEX WTI at Cushing, Oklahoma (US\$/bbl) ⁽¹⁾	Brent Blend FOB North Sea (US\$/bbl) ⁽¹⁾	Inflation Rates (%/year) ⁽²⁾
2019	56.25	63.25	0.0
2020	63.00	68.50	2.0
2021	67.00	71.25	2.0
2022	70.00	73.00	2.0
2023	72.50	75.50	2.0
2024	75.00	78.00	2.0
2025	77.50	80.50	2.0
2026	80.41	83.41	2.0
2027	82.02	85.02	2.0
2028	83.66	86.66	2.0
Thereafter	+2.0% / year	+2.0% / year	2.0

Notes:

- (1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer. Product sales prices will reflect these reference prices with further adjustments for quality differentials and transportation to point of sale.
- (2) Inflation rates for forecasting pricing and costs.

Reconciliation of Changes in Gross Reserves^{(1),(2)}

Factors	Total Proved Reserves (Mbbbl)	Total Proved plus Probable Reserves (Mbbbl)
December 31, 2017	10,733	18,535
Drilling extensions	903	1,283
Infill drilling	-	35
Technical revisions	229	72
Dispositions	(38)	(55)
Economic factors	21	31
Production	(626)	(626)
December 31, 2018	11,222	19,275
Reserves replacement ratio (%)⁽³⁾	178	218

Notes:

- (1) Gross Reserves are the Company's working interest share of the remaining reserves before deduction of any royalties.
- (2) See "Advisories: Reserve Advisory".
- (3) Reserves replacement ratio is calculated as net increase to reserves divided by 2018 average production of 626 Mbbbl. See "Advisories: Crude Oil Metrics".

Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of the Company's future net revenue using forecast prices and costs as included in the Reserves Report.

Year	Proved Reserves (US\$000's)	Proved plus Probable Reserves (US\$000's)
2019	8,120	10,902
2020	16,211	20,519
2021	12,448	18,764
2022	9,221	18,457
Thereafter	-	-
Total undiscounted	45,999	68,642
Total discounted at 10% per year	38,207	56,188

Reserve Life Index by Reserves Category^{(1),(2)}

The Company reduced its December 31, 2018 gross 2P reserve life index by 12% from year-end 2017 from 20.2 years to 17.7 years. The following table provides the reserve life index by reserves category as included in the Reserves Report.

Reserves Category	Gross Reserves Volume (Mbbbl)	Reserve Life (years)	Reserve Life Index (years)
Total Proved	11,222	48.0	11.9
Total Probable	8,053	50.0	57.0
Total Proved plus Probable	19,275	50.0	17.7

Notes:

(1) Gross Reserves are the Company's working interest share of the remaining reserves before deduction of any royalties.

(2) See "Advisories: Crude Oil Metrics".

Estimated Company Gross Reserve Metrics⁽¹⁾

(US\$000's unless otherwise stated)	Total Proved Reserves	Total Proved plus Probable Reserves
Exploration capital expenditures ^{(2),(3)}	1,419	1,419
Development capital expenditures ^{(2),(3)}	13,355	13,355
Proceeds from dispositions	(500)	(500)
Change in future development costs	(104)	553
Estimated FD&A costs⁽⁴⁾	14,170	14,827
Net reserve additions (Mbbbl)⁽⁴⁾	1,115	1,366
Estimated FD&A costs per barrel (US\$/bbl)⁽⁴⁾	12.71	10.85
Estimated 2018 operating netback (US\$/bbl)^{(2),(5)}	27.34	27.34
Estimated 2018 recycle ratio⁽⁴⁾	2.2x	2.5x

Notes:

(1) Gross Reserves are the Company's working interest share of the remaining reserves before deduction of any royalties.

(2) Financial information was converted to US\$ based on the Company's preliminary 2018 unaudited financial statements and is therefore subject to audit. See "Advisories: Unaudited Financial Information".

(3) Exploration and development capital exclude capitalized general and administration costs and corporate asset expenditures. See "Advisories: Crude Oil Metrics".

(4) See "Advisories: Reserve Advisory" and "Advisories: Crude Oil Metrics".

(5) See "Non-GAAP Measures".

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".

Advisories

Reserve Advisory

The disclosure in this news 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, 2018 will be contained in the Company's Annual Information Form for the year ended December 31, 2018 which will be filed on SEDAR on or before March 31, 2019.

The recovery and reserve estimates of crude oil reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may eventually prove to be greater than or less than the estimates provided herein. This news release summarizes the crude oil reserves of the Company and the net present values of future net revenue for such reserves using forecast prices and costs as at December 31, 2018 prior to provision for interest, general and administrative expenses, the impact of any financial derivatives or liabilities associated with the abandonment and reclamation of certain facilities and wells. It should not be assumed that the present worth of estimated future net revenues presented in the tables above 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.

"Proved Developed Producing Reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing, or if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Proved Developed Non-Producing Reserves" are those reserves that either have not been on production or have previously been on production but are shut-in, and the date of resumption of production is unknown.

"Proved Undeveloped Reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g. when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

In the Reserves Report GLJ forecasted reserve volumes and future cash flows based upon current and historical well performance through to the economic production limit of individual wells. Notwithstanding established precedence and contractual options for the continuation and renewal of the Company's existing operating agreements, in many cases the forecasted economic limit of individual wells is beyond the current term of the relevant operating agreements.

Crude Oil Metrics

This news release contains several oil and gas metrics that are commonly used in the oil and gas industry such as reserves additions, reserves replacement ratio, reserve life index, finding, development and acquisition costs, and recycle ratio. These metrics have been prepared by Management and do not have standardized meanings or standardized methods of calculation and therefore such measures may not be comparable to similar measures presented by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company, and future performance may not compare to the performance in prior periods and therefore such metrics should not be unduly relied upon. The Company uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the

Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented herein, should not be relied upon for investment purposes.

Net reserve additions are calculated as the change in reserves from the beginning to the end of the applicable period excluding period production. Reserves replacement ratio is calculated as period net reserve additions divided by period production. Reserve life index is calculated as total Company gross reserves divided by annual production.

FD&A costs represent the costs of net property acquisitions and dispositions, exploration, and development incurred, converted to US\$ where applicable. Specifically, FD&A is calculated as the sum of net acquisition costs less proceeds of dispositions, capital expenditures excluding capitalized general and administrative costs and corporate capital expenditures incurred in the period and the change in future development costs required to develop those reserves. The Company's annual audit of its December 31, 2018 consolidated financial statements is not complete. Accordingly, unaudited capital expenditure amounts used in the calculation of FD&A costs are Management's estimate and are subject to change. FD&A costs per barrel is determined by dividing current period net reserve additions to the corresponding period's FD&A cost. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

Recycle ratios are calculated by dividing the annual FD&A costs per barrel to operating netback per barrel prior to realized gains or losses on commodity derivative contracts in the corresponding period (see "*Non-GAAP Measures*"). Operating netback has been converted to US\$ where applicable. The Company's annual audit of its December 31, 2018 consolidated financial statements is not complete. Accordingly, unaudited operating netbacks used in calculations of recycle ratios are Management's estimate and are subject to change. The recycle ratio compares netbacks from existing reserves to the cost of finding new reserves and may not accurately indicate the investment success unless the replacement of reserves are of equivalent quality as the produced reserves.

Unaudited Financial Information

Certain financial information included herein including capital expenditures and operating netback are based on unaudited estimated results. These estimated results are subject to change upon completion of the Company's audited financial statements for the year ended December 31, 2018, and changes could be material.

Non-GAAP Measures

The Company uses operating netback as a key performance indicator of field results. Operating netback does not have a standardized meaning under IFRS and therefore may not be comparable with the calculation of similar measures by other companies. Operating netback is presented on a total and per barrel basis and is calculated by deducting royalties and operating expenses from petroleum sales. Operating netback is presented herein prior to realized gains or losses on commodity derivative contracts. The Company considers operating netback to be a key measure as it demonstrates Touchstone's profitability relative to current commodity prices. This measurement assists Management and investors in evaluating operating results on a historical basis.

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 estimated crude oil reserves and the net present values of future net revenue therefrom, future development costs associated with crude oil reserves, the potential undertaking, timing, locations and costs of future well drilling, and the sufficiency of resources to fund future development 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. Because 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.

In addition, statements relating to reserves are by their nature 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. The recovery and reserve estimates of Touchstone's reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Consequently, actual results may differ materially from those anticipated in the forward-looking statements.

Crude Oil Abbreviations

bbl(s)	barrel(s)
bbls/d	barrels per day
Mbbl	one thousand barrels

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