



TOUCHSTONE ANNOUNCES SPUDDING OF THE COHO-1 EXPLORATION WELL AND OPERATIONAL UPDATE

Calgary, Alberta – August 8, 2019 – Touchstone Exploration Inc. ("Touchstone" or the "Company") (TSX / LSE: TXP) announces that drilling operations have commenced with the spudding of the first exploration well on the Ortoire block. The Company also provides an operational update.

Highlights

- Spudded Coho-1, the Company's first exploratory well on its Ortoire property, on August 7, 2019.
- Achieved crude oil sales of 1,768 barrels per day ("bbls/d") and 1,944 bbls/d for the three and six months ended June 30, 2019, respectively, representing increases of 3% and 19% relative to the prior year comparative periods.
- Delivered an average of approximately 1,829 bbls/d of field estimated crude oil production through the first six days of August 2019.
- Received regulatory approval to reinject produced water from four of our producing properties.

Drilling Operations

Touchstone spudded the Coho-1 exploration well on the Ortoire exploration block on August 7, 2019 using Well Services rig #80. The Coho-1 well is targeting gas prospects in the Herrera formation at depths between 5,200 and 8,500 feet. The well offsets the Corosan-1 well drilled by Vintage Petroleum Inc. in 2001. Touchstone's Coho-1 well is targeting the same zones tested in the Corosan-1 well in an up-dip location and the well is also expected to penetrate a second and previously untested thrust sheet that the Company deems prospective based on 3D seismic and offset production records. The Coho-1 well is expected to be drilled to a total measured depth of 8,545 feet at an estimated cost of approximately US\$3 million. Drilling is anticipated to take approximately 28 days and the Company will make a further announcement once the well is drilled and logged. Following rig release, we will utilize a smaller service rig to test the well. Testing is anticipated to take up to 30 days as a full flow and build-up is planned to be completed on each zone.

The Coho-1 well is the first of four earning exploration wells under Touchstone's Ortoire Exploration and Production Licence. The Company has an 80% working interest in the well but is responsible for 100% of the drilling, completion and testing costs associated with the well. Heritage Petroleum Company Limited holds the remaining 20% working interest.

Touchstone has no Reserves associated with this well location included in the Company's December 31, 2018 Reserves Report. An independent prospect evaluation review prepared by GLJ Petroleum Consultants Ltd. dated January 16, 2019 and effective December 31, 2018 estimated 2,058 thousand barrels of oil equivalent (best estimate) of unrisksed Contingent Resources (Development Pending) and 1,190 thousand barrels of oil equivalent (best estimate) of unrisksed Prospective Resources (Prospect) for the Company's 80% working interest in the well. Please refer to Touchstone's January 17, 2019 news release titled "Touchstone Announces Ortoire Independent Prospect Evaluation" for further information, definitions and advisories regarding the resources other than reserves associated with prospects evaluated on the Ortoire exploration block.

Production

After a strong 2019 first quarter of production buoyed by flush volumes from the 2018 drilling program, the Company embarked upon a well optimization program which spanned the majority of the second quarter of 2019. The program focused on converting flowing wells to pumping wells as volumes declined, equipping certain wells with capillary strings to combat wax production and to extend run-times and the recompletion of low rate producers. As a result of these initiatives, various wells and associated production were off-line

during the second quarter. Additionally, mechanical issues with a bottom hole assembly in the Company's CO-372 well resulted in nil production in the second quarter.

As a result, the Company averaged 1,768 bbls/d of crude oil sales in the second quarter of 2019 and 1,944 bbls/d of crude oil sales during the six months ending June 30, 2019. Field estimated production through the first six days of August 2019 has averaged approximately 1,829 bbls/d, which the Company anticipates maintaining in the third quarter of 2019 through further well optimization and recompletions.

Water Disposal

The Company has commenced transportation of all produced water from its Barrackpore, San Francique and Palo Seco properties to the recently commissioned water disposal facility on our Fyzabad block. We have also completed an initial injectivity test on our WD-8 block and will now begin a test period where substantially all produced water originating from the property will be disposed. These are key environmental milestones as we have undertaken to eliminate all surface water release by the end of 2019.

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

"It is very exciting to commence drilling in Ortoire at our Coho-1 prospect. This is a significant milestone for Touchstone as we begin drilling the prospective exploration wells. We look forward to sharing the results of the wells with our shareholders throughout this potentially transformational period. The exploration program has been a priority for 2019, but it is important that we continue to see annual production growth from our current producing assets. We are currently prioritizing our development drilling locations and will continue to focus on maintaining base production. While fostering a safe work environment we intend to further enhance our operations through various initiatives including our water disposal program."

Notice of Results

The Company expects to release its unaudited interim results for the three and six months ended June 30, 2019 on August 14, 2019.

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

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 and future field estimated crude oil production volumes, the Company's exploration and development plans and strategies, 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, 2018 Annual Information Form dated March 26, 2019 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.

Statements relating to reserves and resources are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated, and can be profitably produced in the future. The recovery estimates provided herein are estimates only, and there is no guarantee that the estimated resources will be recovered. Consequently, actual results may differ materially from those anticipated in the forward-looking statements.

Resource Definitions

"Contingent Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies.

"Prospective Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development.

Resources other than Reserves

In the case of Contingent Resources (Development Pending), it is important to note that there is uncertainty that they will be commercially viable to produce any portion of the resources. In the case of Prospective Resources (Prospect), it is important to note that there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that they will be commercially viable to produce any portion of the resources. In addition, "best estimate" means that there is a 50% chance that the estimated quantity will be equalled or exceeded.

Refer to Touchstone's January 17, 2019 news release titled "Touchstone Announces Ortoire Independent Prospect Evaluation" for further information, definitions and advisories regarding the resources other than reserves associated with prospects evaluated on the Ortoire exploration block.

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