



## CASCADURA WELL TEST CONFIRMS SUBSTANTIAL LIQUIDS RICH GAS DISCOVERY

CALGARY, ALBERTA (February 6, 2020) - Touchstone Exploration Inc. ("Touchstone", "we", "our", "us" or the "Company") (TSX, LSE: TXP) announces that flowback testing of the first stage of the Cascadura-1ST1 well has been completed, confirming that the well is a significant liquids rich natural gas discovery.

### Highlights

- Cascadura-1ST1 production testing commenced on February 4, 2020, with the first stage testing the lower most 162 feet of a total of 777 feet of identified pay in the Herrera formation.
- Average flowback rate during the final 14-hour test period was 5,180 barrels of oil equivalent per day ("boe/d"), including 26.9 million cubic feet per day ("MMcf/d") of natural gas and 694 barrels per day ("bbls/d") of natural gas liquids.
- Peak flowback rate of 5,736 boe/d, including 30.2 MMcf/d of natural gas and 710 bbls/d of natural gas liquids.
- A total of 28.6 million cubic feet of gas (4,770 barrels of oil equivalent) and 680 barrels of natural gas liquids were produced during the testing period.
- Field analysis indicated liquids rich gas with no hydrogen sulfide and no produced water.
- The well is expected to be shut-in for a two-week pressure build-up test, following which we anticipate completing and testing an additional 450 feet of identified pay.

### Paul Baay, President and Chief Executive Officer, commented:

*"The Cascadura production test results represent a dramatic change for Touchstone, as it confirms the monumental resource potential of the Ortoire exploration block following the earlier success of our Coho-1 well. Furthermore, the test results are only attributable to the lower most portion of the well, and with 450 feet of contiguous sand to be tested, the full potential of the structure is yet to be defined.*

*To put these results in context, our average daily oil production for the three months ended September 30, 2019 was 1,729 bbls/d. The modelling from the final test results at Coho-1 supports initial gross production rates between 10 to 12 MMcf/d per day (approximately 1,667 to 2,000 boe/d) with Cascadura now set to provide a further step change. Given these results, the Company will focus on multiple tie-in scenarios in order to maximize economic value. The Ortoire exploration block continues to consistently and dramatically outperform expectations and presents an exciting new opportunity for both Touchstone and the onshore oil and gas industry in Trinidad."*

### Cascadura-1ST1 Testing

As previously announced, the Cascadura-1 exploration well on the Ortoire exploration block, onshore in the Republic of Trinidad and Tobago (Touchstone 80% working interest operator, Heritage Petroleum Company Limited 20% working interest) was sidetracked (ST1) and drilled to a total depth of 6,350 feet. Cased hole wireline logs and drilling samples indicated approximately 1,037 feet of prospective hydrocarbon pay in the Cruse and Herrera formations at depths between 1,030 and 6,350 feet. The first stage of the initial production test of the Cascadura-1ST1 well was designed to evaluate the lowest 162 feet of prospective pay found in the Herrera Gr7c and Herrera Gr7a formations between 6,056 and 6,218 feet. This interval was completed on January 17, 2020, and testing was suspended due to high pressures and natural gas volumes encountered on the clean-up flow.

The Company subsequently mobilized an international well testing company to assist in the evaluation of the high-pressure natural gas well. Natural gas production testing commenced on February 4, 2020 with flow tests spanning a total of 36 hours, comprised of an initial clean-up flow period, followed by an initial shut-in period and a four-step rate test, including a final 14-hour extended flow test.

Cascadura-1ST1 achieved a peak production rate in excess of 5,736 boe/d during the extended flow test period. This production rate included 30.2 MMcf/d of natural gas and 710 bbls/d of natural gas liquids. The flowing pressure of the well during this stage of testing was 3,305 psi through a 40/64" choke. During the final 14-hour extended flow test period, the well averaged a production rate in excess of 5,180 boe/d including 26.9 MMcf/d of natural gas and 694 bbls/d of natural gas liquids. The flowing pressure of the well during this test period was 3,319 psi through a 40/64" choke, resulting in an estimated 20% draw down. A total of 28.6 million cubic feet of natural gas (4,770 barrels of oil equivalent) was produced during testing, with 680 barrels of natural gas liquids and 38 barrels of water.

During the final extended flow test, Cascadura-1ST1 yielded an average of 54° API natural gas liquids at a ratio of approximately 26 barrels of free natural gas liquids per million cubic feet of natural gas produced. Field analysis of the produced gas indicated liquids rich natural gas with no hydrogen sulfide content. Additional testing of fluid samples will be conducted to accurately assess the gas and associated liquids composition.

The well is now expected to be shut-in for an extended pressure build-up survey. This build-up period is anticipated to take two weeks, after which the Company plans to complete and test the second stage of the Herrera Gr7bc formation targeting approximately 450 feet of pay immediately above the first test interval.

**James Shipka, Chief Operating Officer, commented:**

*"The exceptional performance of the initial Cascadura test demonstrates the tremendous potential of the high-quality Herrera turbidites on the Ortoire block. The Coho and Cascadura discoveries have proven our turbidite model and indicate that the main sand fairway extends through a large portion of the Ortoire block. These discoveries provide further confidence as we move forward with two further exploration wells at our Chinook and Royston prospects which are targeting separate structures along the same geological trend."*

**Touchstone Exploration Inc.**

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".

For further information about Touchstone, please visit our website at [www.touchstoneexploration.com](http://www.touchstoneexploration.com) or contact:

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**Advisories**

***Forward-Looking Statements***

Certain information provided in this announcement may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking information in this announcement may include, but is not limited to, statements with respect to the quality and quantity of prospective hydrocarbon accumulations; well test results; the Company's anticipated timing and completion of future well testing; the Company's exploration plans and strategies, including with respect to future exploration drilling and the timing thereof; and the sufficiency of resources and available financing to fund future exploration testing 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 2018 Annual Information Form dated March 26, 2019 which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this announcement 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.

### ***Oil and Gas Matters***

References in this announcement to production test rates and initial flow rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. A pressure transient analysis or well-test interpretation has yet to be carried out in respect of the well. Accordingly, the Company cautions that the test results should be considered preliminary.

### ***Oil and Gas Measures***

Where applicable, natural gas has been converted to barrels of oil equivalent based on six thousand cubic feet to one barrel of oil. The barrel of oil equivalent rate is based on an energy equivalent conversion method primarily applicable at the burner tip, and given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.