



## TOUCHSTONE UPDATES CHINOOK AND CASCADURA DEEP TESTINGS

CALGARY, ALBERTA (March 31, 2021) - Touchstone Exploration Inc. ("Touchstone", "we", "our", "us" or the "Company") (TSX, LSE: TXP) provides an update regarding exploration operations on the Ortoire block, onshore Trinidad and Tobago (Touchstone 80% working interest operator, Heritage Petroleum Company Limited 20% working interest).

### Highlights

- Completed and tested the third interval at Chinook-1 encountering 35 degree API gravity crude oil; further evaluation is required to determine commerciality.
- All three Herrera thrust sheets in Chinook-1 encountered light oil indicating the structure is predominantly oil charged.
- Chinook-1 will be placed on pump for an extended production test to evaluate the reservoir and guide future development.
- The service rig is on location at Cascadura Deep-1 to complete the lowermost gas zone in the Herrera overthrust sheet, which is scheduled to be perforated within a few days.

### Chinook-1 Production Testing

Touchstone is currently evaluating the third formation test at Chinook-1, having completed the overthrust Herrera sheet in the well on March 25, 2021, perforating 115 feet of the formation at depths between 8,320 and 8,435 feet. The well accumulated pressure to 2,100 psi at surface immediately after being completed, and flow back testing commenced on March 27, 2021. The well recovered load fluid with minor amounts of 35 degree API gravity oil and formation water. Low flow back rates indicate that an artificial lift is required to determine the wells' production potential. By putting the well on pump, the Company can evaluate the deliverability of the zone and assess possible formation damage that may have occurred during drilling. Touchstone will commence installation of the pumping assembly when the service rig has completed current operations at Cascadura Deep-1.

Testing to date indicates the Chinook-1 well is in an oil window of the Herrera fairway. Over the course of the next few months, the Company will form a development plan for the oil encountered in the exploration well with the focus on identifying locations in the intermediate and overthrust Herrera sand sheets. Oil production from the Herrera thrust sheets is common in Trinidad along the Herrera fairway. The Penal-Barrackpore Herrera oil pools have cumulative production of over 80 million barrels since their discovery in the 1960s.

Following the extended oil test, the Company may complete an uphole shallow gas interval in the Cruse formation or test a Karamat shale gas prospect that was encountered while drilling.

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

*"This light oil discovery on the Ortoire property provides another level of opportunity for the Company and is in line with our original Chinook exploration model which indicated the target was oil charged. While some shareholders may be disappointed with oil findings, it is worth highlighting that our view towards gas only evolved following our prolific gas discovery at Cascadura, which is 1.5 kilometres to the north and in a separate geological structure. The test results at Chinook are a reminder that while these are independent exploration targets, the Herrera sands have the potential for gas, light oil, or a combination of hydrocarbons. We don't believe these results have any correlation to the upcoming Royston well given the target is a separate structure and in a different geological position."*

## **Cascadura Deep-1 Production Testing**

The Company is currently preparing to perforate the lowermost section of the shallow overthrust Herrera sand in Cascadura Deep-1. After the interval has been perforated, the Company expects to perform a three-day flow back test followed by a minimum two-week built-up test. Well test results will be disclosed upon completion.

The Company completed testing a low resistivity zone in the intermediate thrust sheet that showed elevated gas readings during drilling. While indications of hydrocarbons were apparent while drilling through this secondary interval, wireline logs indicated low resistivity prompting the Company to test the interval to gain a further understanding of reservoir characteristics. The primary purpose of the test was to correlate reservoir salinities with wireline log responses to define pay intervals during potential development of the Cascadura Deep-1 structure. As expected, based upon the low resistivity readings, the tested interval yielded predominantly water with minor amounts of hydrocarbon emulsion and was subsequently abandoned.

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

*"While we have waited for the required testing equipment to come available, we took advantage of our time with the two exploration wells to test a number of different concepts and have added to our understanding of the Ortoire block. The information gained over the last three months will be invaluable for progressing our understanding of potential future locations. In the near term, we remain focused on our gas test at Cascadura Deep and bringing our first two wells, Coho-1 and Cascadura-1ST1, onto production. Further testing at Chinook will continue as necessary to evaluate the well and determine the best path forward while construction at Royston continues to move towards a spud date in the middle of the second quarter."*

### **Touchstone Exploration Inc.**

Touchstone Exploration Inc. is a Calgary, Alberta 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 and information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved.

Forward-looking statements in this announcement may include, but is not limited to, statements relating to the quality and quantity of prospective hydrocarbon accumulations; well test results; the Company's exploration plans and strategies, including anticipated drilling, production testing, development, tie-in, facilities construction, and timing thereof. 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 2020 Annual Information Form dated March 25, 2021 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.