



TOUCHSTONE ANNOUNCES ORTOIRE OPERATIONAL UPDATE

CALGARY, ALBERTA (August 24, 2023) - Touchstone Exploration Inc. ("Touchstone", "we", "our", "us" or the "Company") (TSX, LSE: TXP) provides an update on Royston-1X well production testing, commissioning of the Cascadura natural gas and liquids facility, and operations at Coho. Touchstone has an 80 percent operating working interest in the Royston-1X sidetrack well and the Cascadura and Coho fields, all of which are located on the Ortoire block onshore in the Republic of Trinidad and Tobago. Heritage Petroleum Company Limited ("Heritage") holds the remaining 20 percent working interest.

Royston-1X

The Company has completed its program of five production test intervals at Royston-1X. Touchstone is currently evaluating the uppermost prospective intervals in the Herrera and Karamat formations. The well is shut-in while awaiting the arrival of a service rig which will be used to put the well on pump to facilitate further testing.

As previously reported, the lowermost section of the Royston-1X well in the subthrust sheet of the Herrera Formation was initially completed at depths between 11,102 and 11,168 feet. Swabbed oil volumes were analyzed by a third party confirming between 34.1 to 40.0 degrees API gravity formation crude oil, representing the deepest oil encountered on the Ortoire block to date. The maximum shut-in pressure observed at surface was 2,534 psi, however, this section of the formation was interpreted to have a low permeability reservoir.

The second production test evaluated the subthrust sheet of the Herrera Formation at depths between 10,604 and 11,020 feet. Light, sweet oil was recovered measuring 35.4 degree API gravity. The maximum shut-in pressure observed at surface was 2,450 psi. Similar to the first testing interval, the formation exhibited a low permeability reservoir with minimal natural oil flow to surface. Touchstone suspended the first two intervals with a retrievable plug, allowing us the opportunity to reevaluate the subthrust sheet at a further date for potential fracture stimulation.

The third production test evaluated the intermediate sheet in the Herrera Formation at depths between 10,220 and 10,314 feet. 38.3 degree API gravity crude oil was encountered, with a maximum shut-in pressure observed at surface of 2,331 psi.

The fourth production test evaluated the overthrust sheet in the upper Herrera X Formation at depths between 9,591 and 9,662 feet. 38.1 degree API gravity oil was encountered, with a maximum shut-in pressure of 2,438 psi.

The final production test targeted the Karamat Formation at depths between 9,318 and 9,346 feet. Once again, light, sweet oil was recovered with a maximum shut-in pressure observed at surface of 2,230 psi.

Royston commerciality

Although high reservoir pressures were observed during each of the production tests, minimal natural flow to surface was observed, indicating low permeability. As a result, Touchstone has now completed the three uppermost prospective intervals and is waiting for a service rig to place the well on pump. We expect that once the well is pumping, the hydrostatic pressure on the reservoir will be reduced, allowing the formation fluid to produce at increased rates. A further update will be provided following completion of the final evaluation of the three uppermost prospective intervals.

Cascadura

The Cascadura facility has been designed for a maximum gross production capacity of approximately 200 MMcf/d and 5,000 bbls/d of associated liquids, with a current gross production capacity of 90 MMcf/d and 2,250 bbls/d of associated liquids (17,250 boe/d).

The facility is currently undergoing final commissioning with natural gas from the Cascadura-1ST1 well being used for the initial systems start-up and equipment testing. Upon completion of the commissioning of the Cascadura facility, the Company will begin to introduce natural gas and associated liquids from both the Cascadura-1ST1 and Cascadura Deep-1 wells.

The current commissioning status of the Cascadura facility is as follows:

- testing of the flare system has been successfully completed;
- introduction of fuel gas to the recycle compressors has occurred;
- introduction of fuel gas for the generators to provide power to the site has been established;
- all safety devices and equipment have been tested and are functioning; and
- testing of all electronics, alarms, and systems at the facility to ensure full functionality is 99 percent complete.

Touchstone anticipates initial sales volumes during the week of August 28, 2023.

Coho

Since the Coho facility commenced commercial production in October 2022, the Coho-1 well has produced a total of approximately 2 Bcf of gross natural gas and generated over US\$4 million in gross natural gas sales. The Coho facility has achieved 99.9% uptime performance with the majority of the downtime associated with third-party processing issues. The Coho-1 well is currently being restricted on a 34/64-inch choke to manage flowing pressures. In May 2023, the Company performed a downhole production test that indicated the well could be optimized by reconfiguring the producing reservoir intervals. The Company will commence this operation once the Cascadura facility comes onstream. Additionally, Touchstone has been approved to drill two additional wells from the existing Coho location with the intent to fill the facility to its maximum gross operating capacity of approximately 24 MMcf/d of natural gas (4,000 boe/d).

Paul Baay, President and Chief Executive Officer, commented:

"Testing of the Royston-1X well was undertaken in a methodical manner to provide a comprehensive evaluation of the prospect. The flow and buildup tests for each interval has provided us with information that could be used for future stimulation of the well to optimize recovery and production rates. The fact that we have recovered light oil and significant pressures on each test is encouraging. We now need to evaluate the mechanics of how to produce the well at economically sustainable rates. By putting the well to pump for an extended period, we will be able to determine both the economics and viability of future operations, which could include artificial stimulation of the reservoir.

Looking forward to the commencement of commercial production from the Cascadura facility, we now have in place the infrastructure to process and monetize all future potential drilling successes on the Ortoire block. This has been a long process, but we have now put in place the building blocks for a fully funded, full-cycle exploration and production strategy."

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 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. The forward-looking statements contained in this announcement speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this announcement includes, but is not limited to, forward-looking statements relating to the Company's capital plans and strategies; Royston-1X production testing results and current testing operations, including the potential for increased production rates and future fracture stimulation and the timing thereof; Cascadura facility construction progress and expected timing of completion and first production; future Coho well servicing and drilling operations and the timing thereof; and Touchstone's expectation of becoming a fully funded, full-cycle exploration and production Company.

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 2022 Annual Information Form dated March 23, 2023 which is available under the Company's profile on SEDAR (www.sedar.com) and on the Company's website (www.touchstoneexploration.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 or intent 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 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.

Abbreviations

API	American petroleum Institute
bbls/d	barrels per day
boe/d	barrels of oil equivalent per day
MMcf/d	million cubic feet per day
Bcf	billion cubic feet
psi	pounds per square inch