

TSX : TXP | AIM : TXP

# Corporate Presentation

January 2024



*Our Growth Journey: Evolving towards a sustainable, full-cycle exploration and production company*



# Touchstone at a Glance



## *Largest independent onshore producer in Trinidad*

Market capitalization<sup>(1)</sup> £100.7 million

November 2023 net daily production<sup>(2)</sup>

Natural gas (Mcf/d) 39,300

Crude oil and liquids (bbls/d) 1,719

Net daily production (boe/d) 8,268

Current facility capacity (boe/d) 21,250

2022 Gross 2P reserves<sup>(3)</sup> (Mboe) 75,074

Reserve life index<sup>(3)</sup> ~24 years



Notes:

(1) As of closing share price on January 12, 2024, on AIM (£0.43/share).

(2) November 2023 net average sales volumes.

(3) Based on the December 31, 2022 GLJ Ltd. independent reserves evaluation. Gross reserves are the Company's working interest share before the deduction of royalties. See "Advisories: Oil and Gas Reserves" and "Advisories: Oil and Gas Measures".

# Touchstone Today

Foundation for growth



# 2023 Q3 Highlights



**167%**

Increase in production  
from Q3 2022

**18%**

Increase in petroleum and  
natural gas sales from Q3 2022

**37%**

Increase in operating  
netback from Q3 2022

**850%**

Increase in funds flow from  
operations from Q3 2022

**\$988,000**

Net earnings

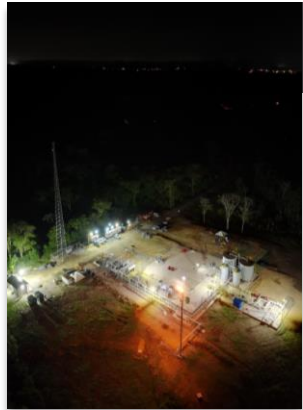
	Q3 2023	Q3 2022
<b>Average daily production</b>		
Crude oil and liquids ( <i>bbls/d</i> )	1,359	1,272
Natural gas ( <i>Mcf/d</i> )	12,191	-
<b>Average daily production (<i>boe/d</i>)</b>	<b>3,391</b>	<b>1,272</b>
<b>Average realized prices<sup>(1)</sup></b>		
Crude oil and liquids ( <i>\$/bbl</i> )	72.69	84.85
Natural gas ( <i>\$/Mcf</i> )	2.31	-
<b>Realized commodity price (<i>\$/boe</i>)<sup>(1)</sup></b>	<b>37.44</b>	<b>84.85</b>
<b>Production mix (% of production)</b>		
Crude oil and liquids	40	100
Natural gas	60	-
Operating netback <sup>(1)</sup> ( <i>\$000's</i> )	6,011	4,396
Petroleum and natural gas sales ( <i>\$000's</i> )	11,682	9,933
Funds flow from operations ( <i>\$000's</i> )	2,432	256
Net earnings (loss) ( <i>\$000's</i> )	988	(788)
Net debt <sup>(1)</sup> ( <i>\$000's</i> )	29,919	27,037

Note:  
(1) Non-GAAP financial or other measure. Refer to "Advisories: Non-GAAP Financial Measures".

# A Year of Transformation



*Significantly increased production from 1,581 boe/d to over 8,200 boe/d<sup>(1)</sup>*



## Completed the construction of the **Cascadura facility**

Current gross capacity of 17,250 boe/d

- 90 MMcf/d of natural gas
- 2,250 bbls/d of liquids

Potential gross capacity of 38,333 boe/d

- 200 MMcf/d of natural gas
- 5,000 bbls/d of liquids



## Production commenced at our **world-class discovery**

The largest onshore development in Trinidad in decades

Safely delivered first production through our Cascadura natural gas facility on September 6, 2023

Increased production marked a significant operational achievement



## Established a **development program** at Cascadura and Coho

Eight development wells identified at Cascadura

Completed the Cascadura C drilling location to accommodate four potential development wells

Two development wells identified at Coho



## **Expanded** our operational footprint

Entered into an asset exchange agreement to acquire Rio Claro, Balata East and Balata East Deep Horizons<sup>(2)</sup>

Awarded the Ciperó block in the Trinidad onshore bid round<sup>(3)</sup>

Commenced discussions with The Ministry of Energy and Energy industries to acquire Charuma<sup>(3)</sup>

Notes:

(1) Based on November 2023 average sales volumes.

(2) The asset exchange transaction is subject to numerous closing conditions, including receipt of applicable regulatory approvals. There can be no certainty that the transaction will close.

(3) The award of the Ciperó block is subject to the execution of an Exploration and Production (Public Petroleum Rights) Licence with MEEI. The MEEI has been authorized to enter into discussions with the Company regarding the Charuma Block to improve the minimum work program. There can be no certainty that the parties will negotiate a minimum work program and execute an Exploration and Production (Public Petroleum Rights) Licence.

# Developed a Platform for Future Growth



## Largest independent onshore producer in Trinidad

Daily production in excess of 8,268 boe/d<sup>(1)</sup>

Production split of approximately 79% natural gas and 21% crude oil and liquids<sup>(1)</sup>

Cash flow to support future capital investments



## Owned and operated infrastructure

42,333 boe/d of potential gross processing capacity

Designed to support current and future production

Provides quick commercialization of new production



## High quality organic growth portfolio

150,043 net acres of potential land holdings<sup>(2)</sup>

229 identified drilling locations

75.1 MMboe of 2P reserves as of Dec. 31, 2022<sup>(3)</sup>



## Strong and established presence in Trinidad

Trusted partner with the government and industry leaders

Comprehensive understanding and proficiency of the geological formations and reservoirs

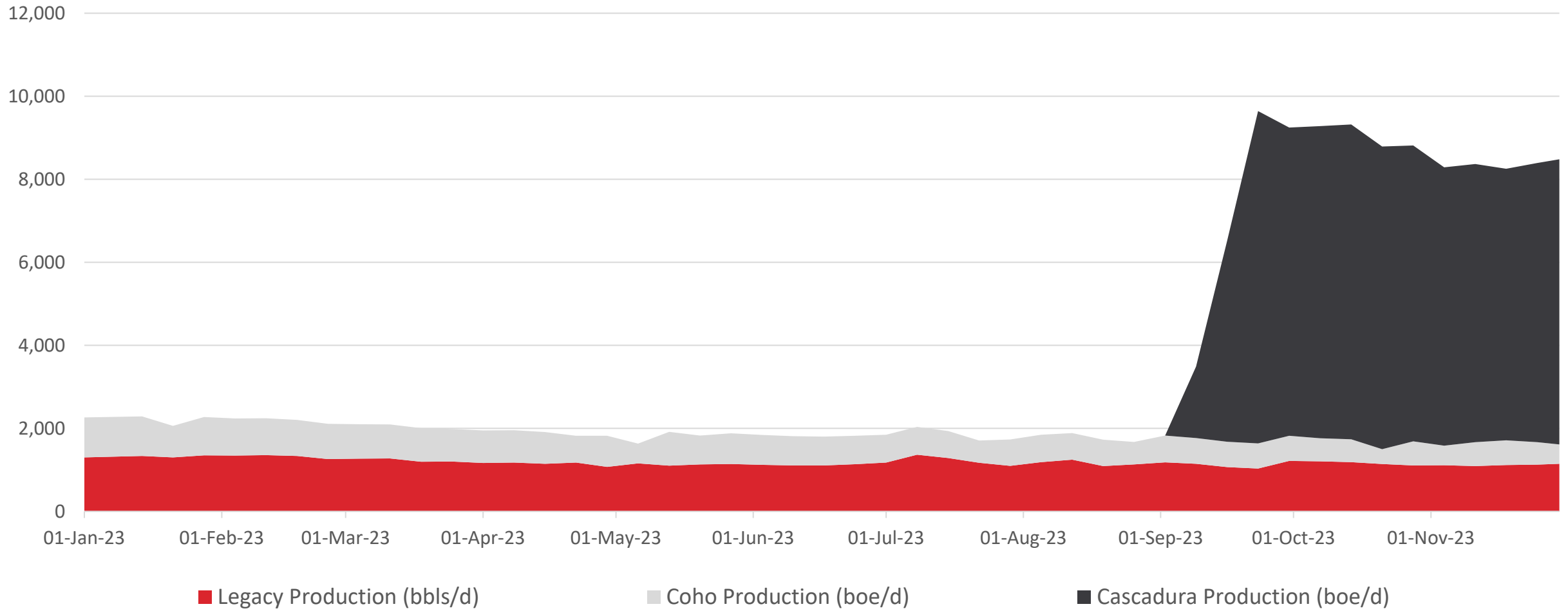
### Notes:

(1) Based on November 2023 average sales volumes.

(2) Based on the anticipated closing of the asset exchange and the award of the Cipero and Charuma blocks.

(3) Based on December 31, 2022 GLJ Ltd. independent reserves evaluations. See "Advisories: Oil and Gas Reserves" and "Advisories: Oil and Gas Measures".

# 2023 Corporate Production



# 2024 Budget and Guidance

Driving near and long-term value creation for our investors





# Fostering Growth



## Annual 2024 Guidance<sup>(1)</sup>

Capital expenditures <sup>(2)</sup> (\$000's)	33,000
Average daily production range (boe/d)	9,100 to 9,700
% natural gas	82%
% crude oil and liquids	18%
Exit daily production (boe/d)	14,500
Average Brent crude oil price (\$/bbl)	75.00
% realized discount to Brent benchmark price	18%
Funds flow from operations <sup>(3)</sup> (\$000's)	32,000
Net debt <sup>(2)(3)</sup> – end of year (\$000's)	25,000

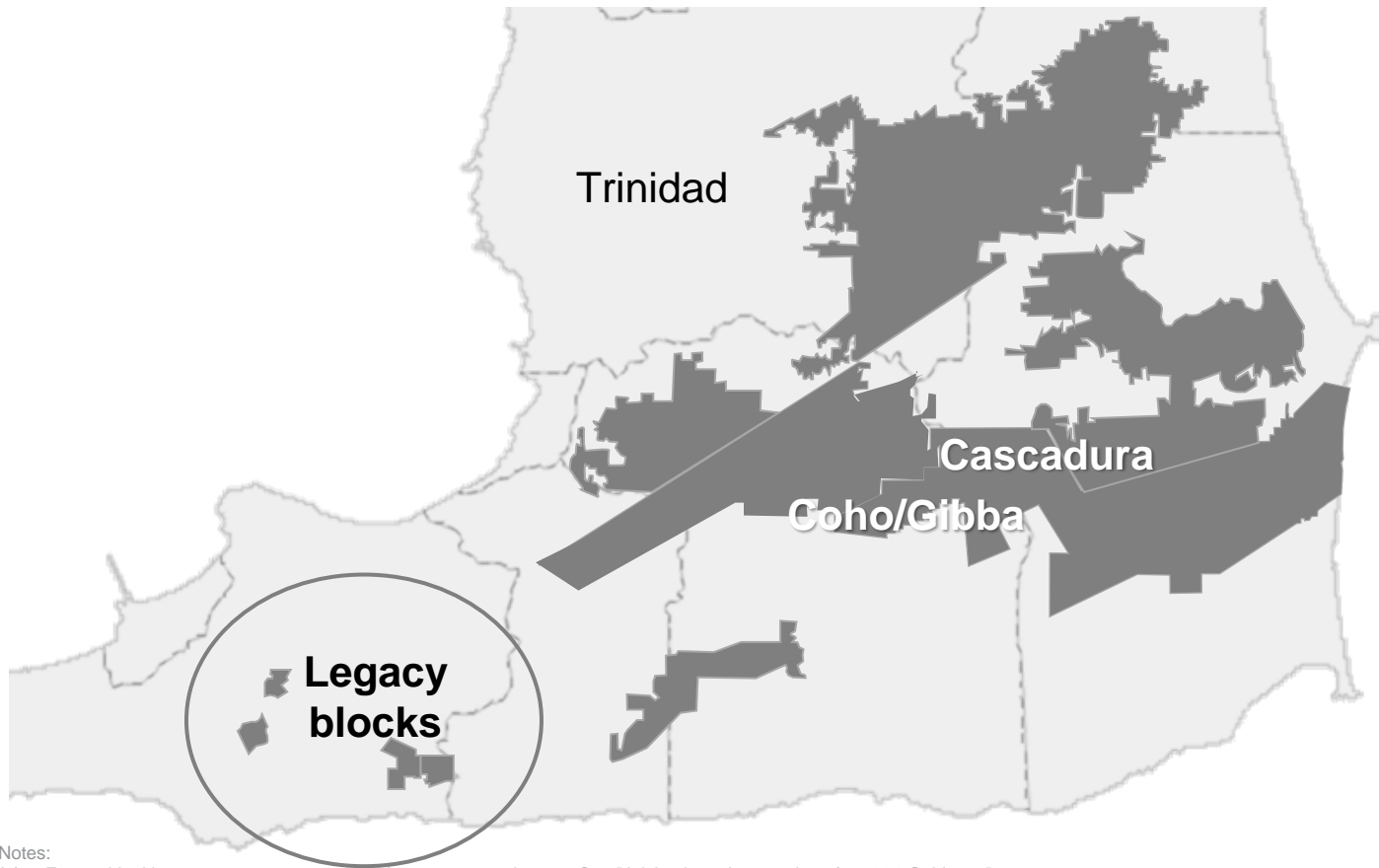
Notes:

- (1) Forward-looking statement representing Management estimates and are subject to an increase in the credit facility from \$7 million to \$20 million. See "Advisories - Assumptions for 2024 Guidance".
- (2) Non-GAAP financial measure. See the "Advisories - Non-GAAP Financial Measures" for further information.
- (3) The Company's 2024 preliminary guidance is based on the midpoint of the average production forecast (9,400 boe/d).

# 2024: Investing in Resource-Rich Assets



*Disciplined investment framework to establish a future with sustainable free cash flow*



## Cascadura<sup>(1)</sup>

Development wells:	Two
Exploration wells:	-
Spud dates:	First half 2023
First production:	Late Q3 2024



## Coho/Gibba<sup>(1)</sup>

Development wells:	One
Exploration wells:	One
Spud dates:	Q4 2024
First production:	Q1 2025



## Other capital expenditures<sup>(1)</sup>

Legacy development wells:	Two
Well recompletions:	Twelve

Notes:

(1) Forward-looking statement representing Management estimates. See "Advisories - Assumptions for 2024 Guidance".

(2) Non-GAAP financial measure. See the "Advisories - Non-GAAP Financial Measures" for further information.

# Cascadura Development



## Cascadura C drill pad:

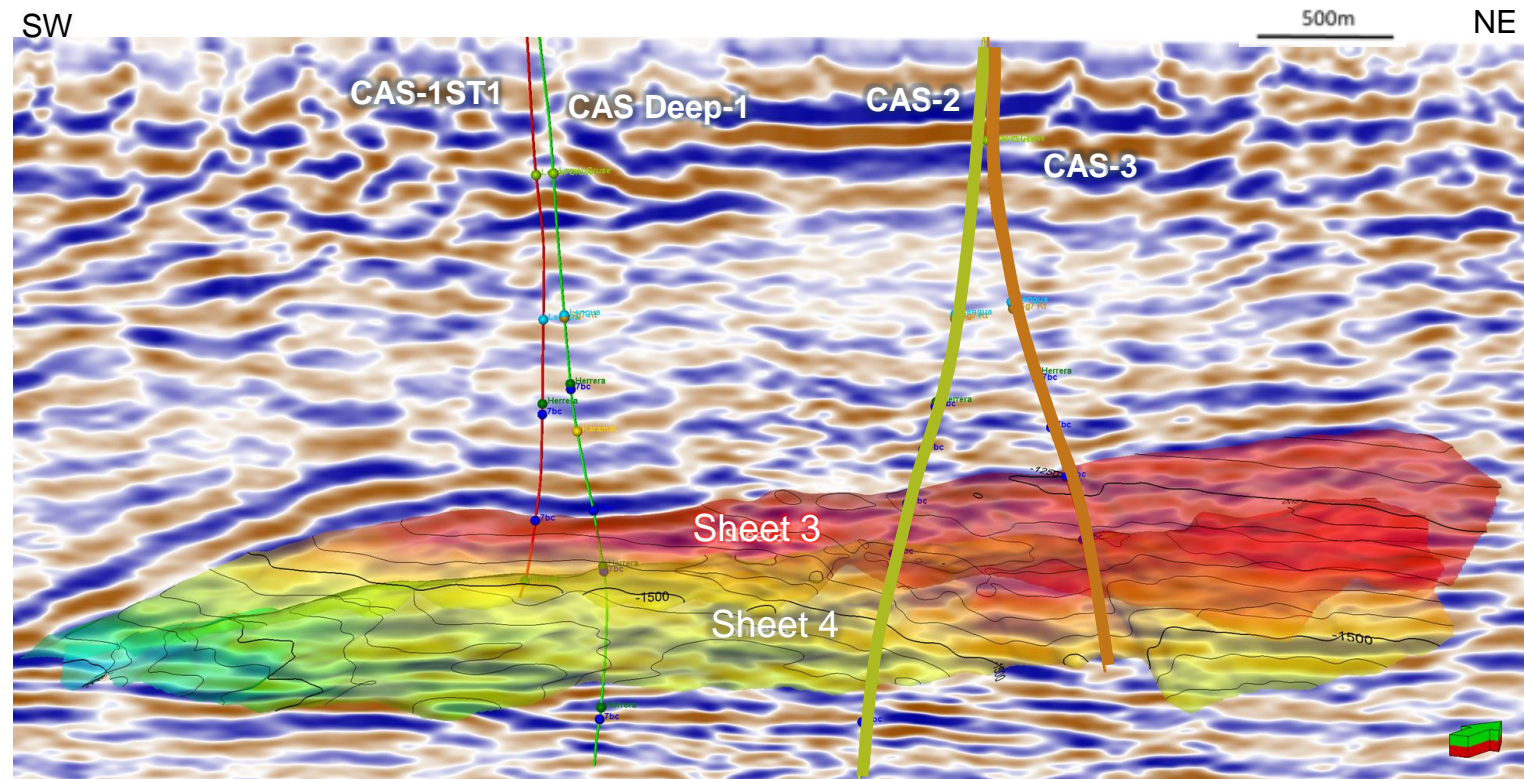
Located northeast of Cascadura-1ST1 and Cascadura Deep-1  
Approved for the potential drilling of four wells

## Cascadura-2:

Spud date: January 6, 2024  
Anticipated total depth: 8,300 feet  
Drill in a southwest orientation  
Located 1.5 km. downhole from the Cascadura facility  
Targeting sheets 3 and 4 (Herrera sands) and Intermediate

## Cascadura-3:<sup>(1)</sup>

Anticipated total depth: 6,500 feet  
Drill in a northeast orientation  
Located 2 km. downhole from the Cascadura facility  
Targeting sheets 3 and 4 (Herrera sands)



Note:

(1) Drilling of Cascadura-3 location is subject to success at Cascadura-2.

# Cascadura C Drilling Pad



Cascadura-2: Spud January 6, 2024



# Coho Development



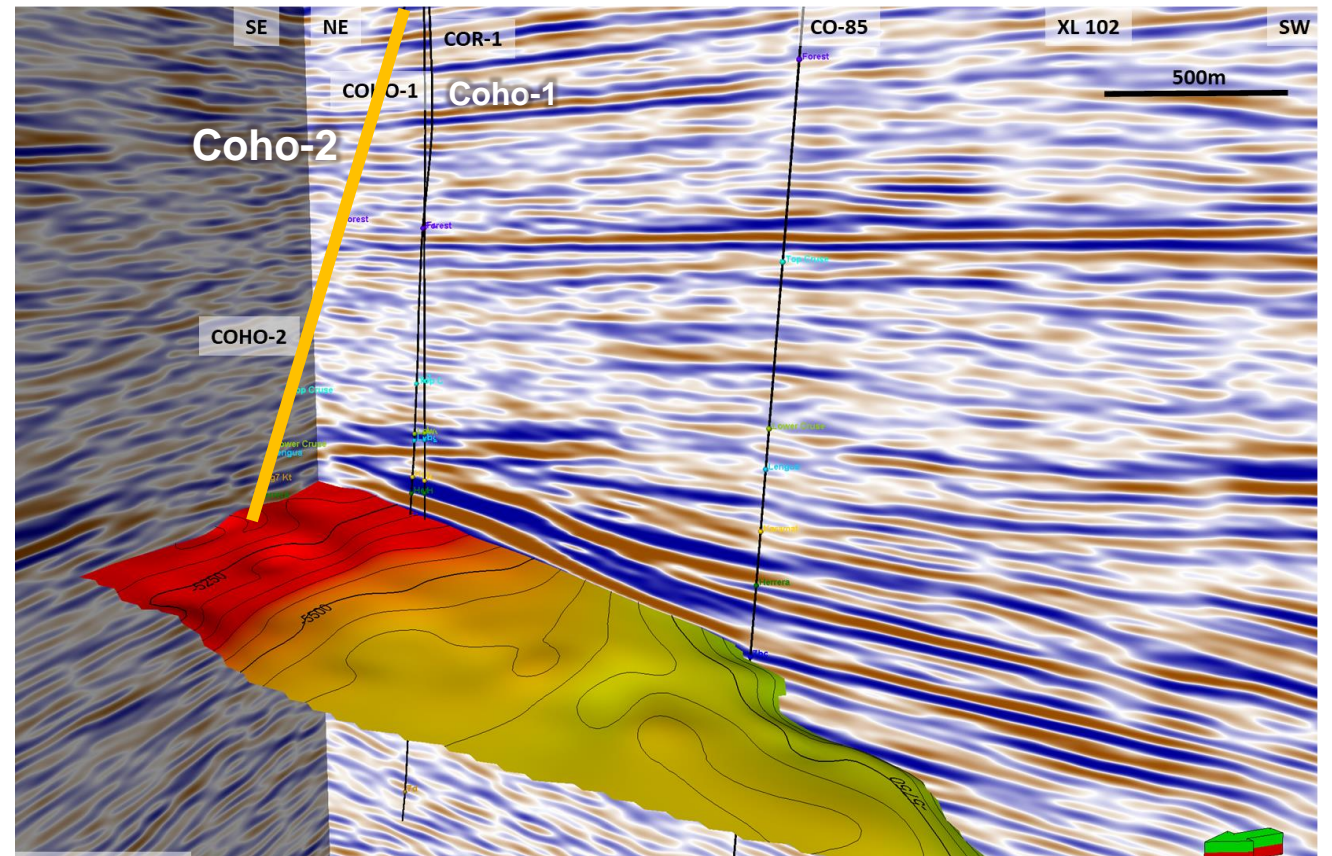
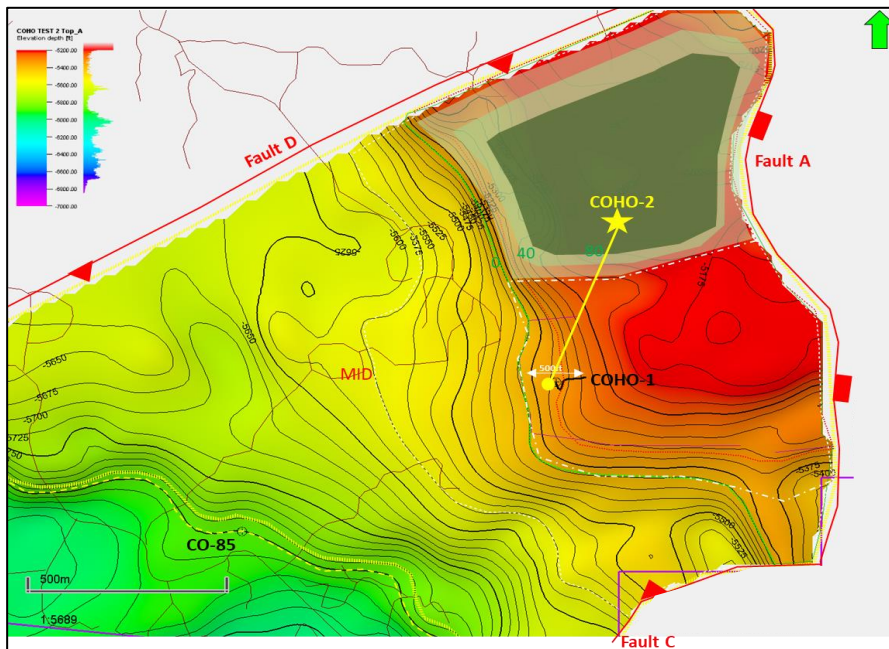
## Coho-2

Anticipated total depth: 5,500 feet

Drill in a northeast direction

Located 0.5 km. downhole from the Coho facility

Targeting the Herrera sand not in communication with Coho-1



# Coho-3 / Gibba Exploration Prospect

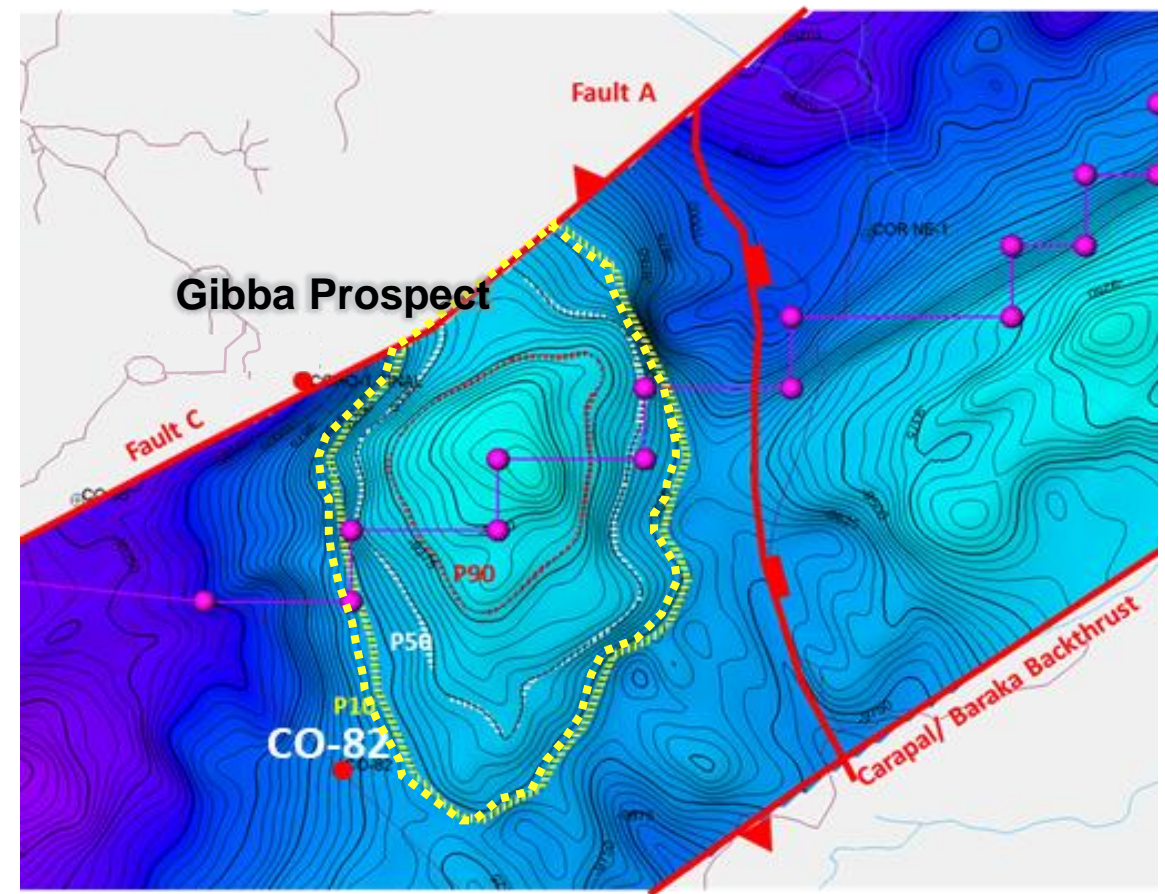
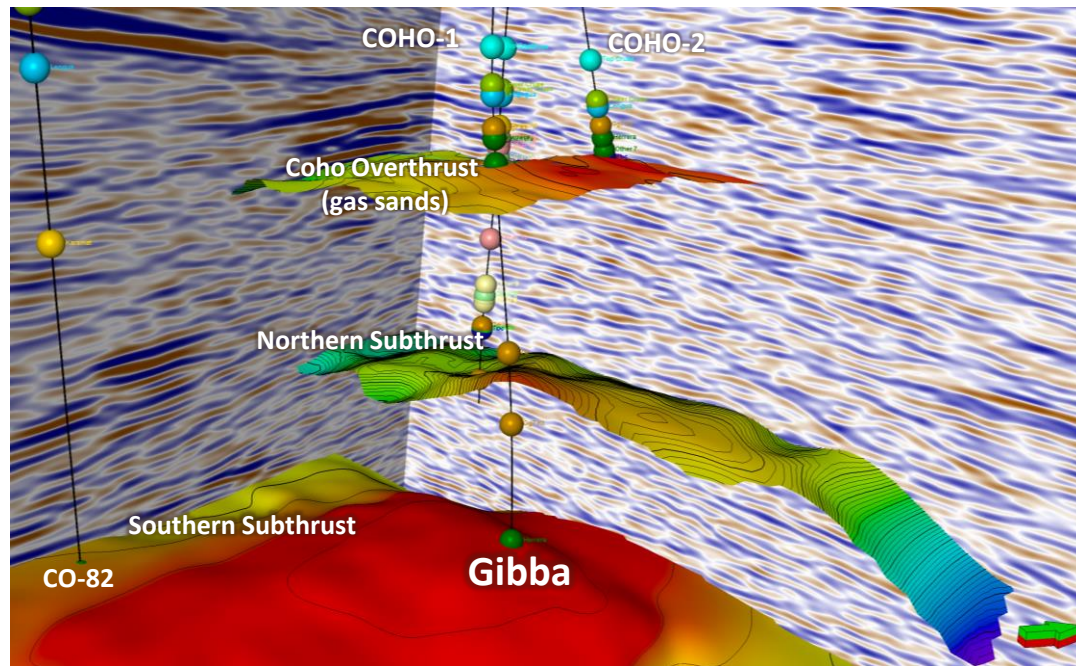


*Utilize the Coho-1 drilling pad to drill Coho-3/Gibba, targeting the Subthrust sheet*

## Coho-3 / Gibba

Anticipate total depth: 11,000 feet

Drill through the Coho sheet east of Coho-1 to the southern Subthrust structure



# Asset Overview

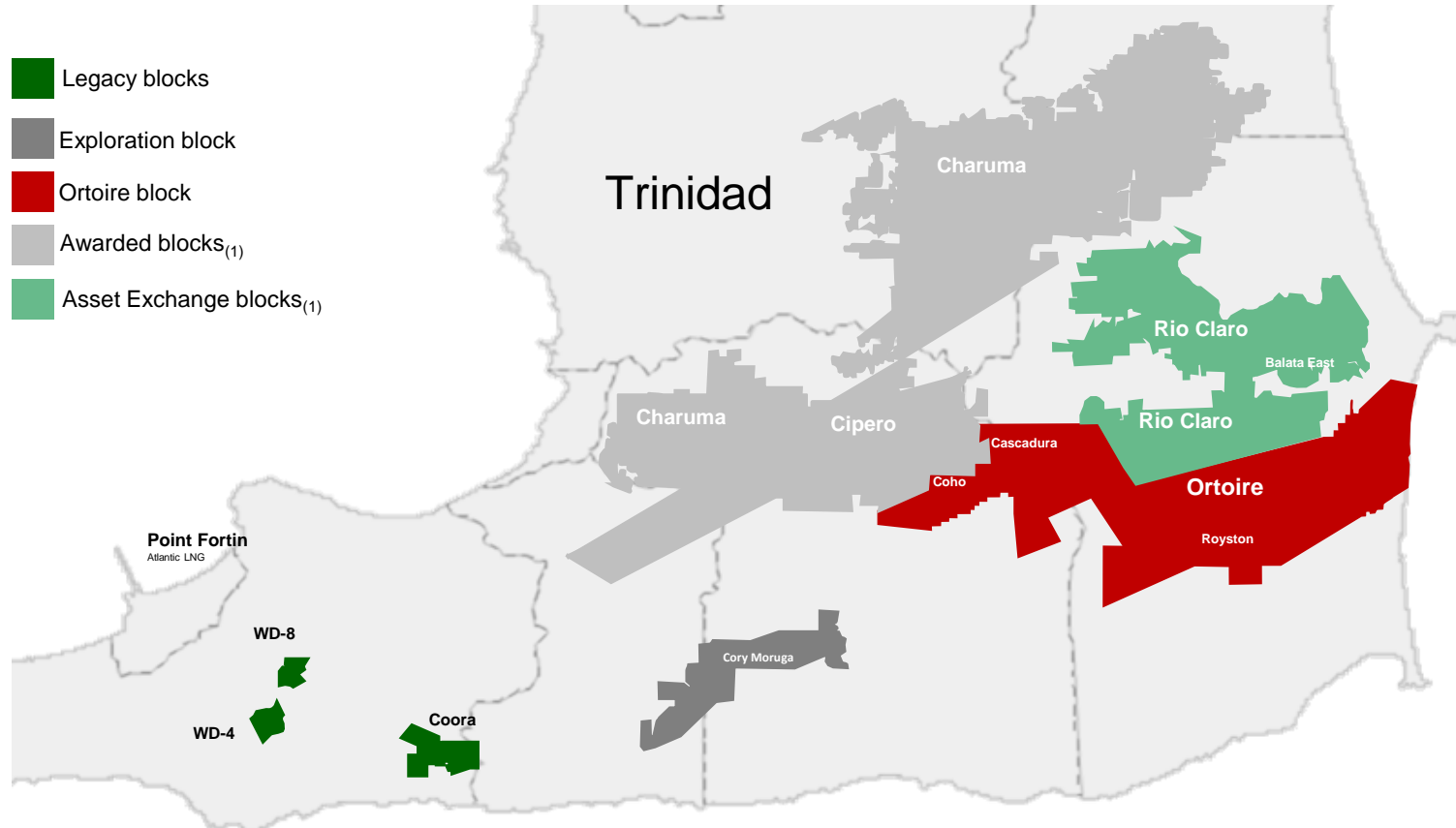
Sustainable long term growth



# High-Quality Assets



*Positioned for the future with low-risk field development and significant exploration potential*



**42,333 boe/d**

Potential gross facility capacity

**150,043**

net acres of potential land holdings<sup>(1)</sup>

**229**

Drilling locations<sup>(2)</sup>

**70%**

drilling locations unbooked<sup>(2)</sup>

**75,074 Mboe**

2P Reserves<sup>(2)</sup>

Notes:

(1) Based on the anticipated closing of the asset exchange and the award of the Cipero and Charuma blocks.

(2) See "Advisories: Drilling Locations".

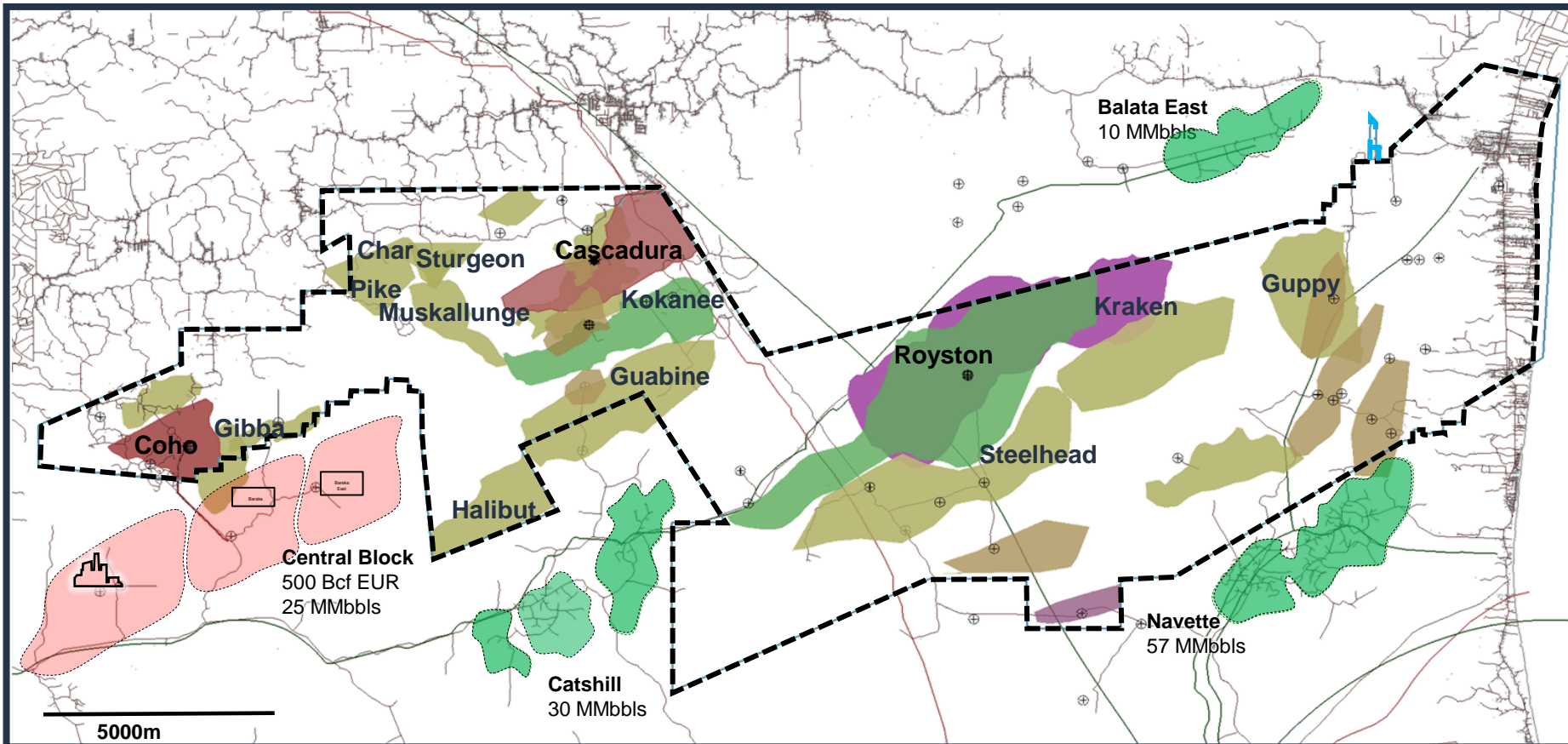
(3) Based on the December 31, 2022 GLJ Ltd. independent reserves evaluation. See "Advisories: Oil and Gas Reserves" and "Advisories: Oil and Gas Measures".



# High-Quality Prospects



*Focusing on prospects near existing infrastructure to maximize efficiencies*



**24**  
Exploration locations  
identified

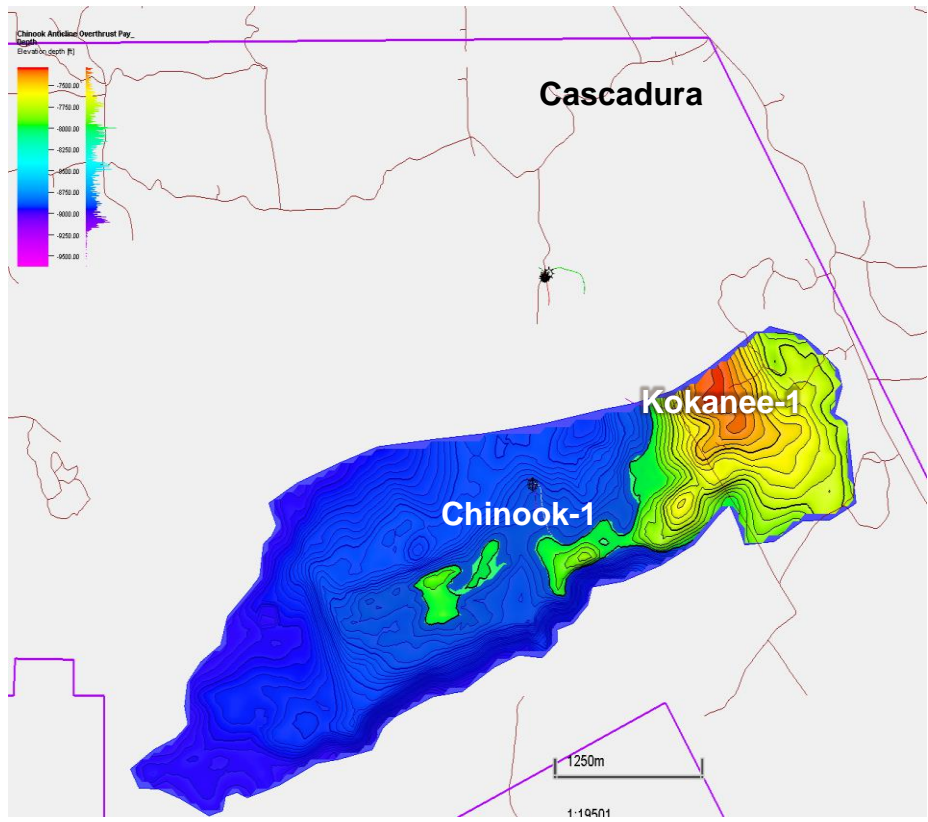
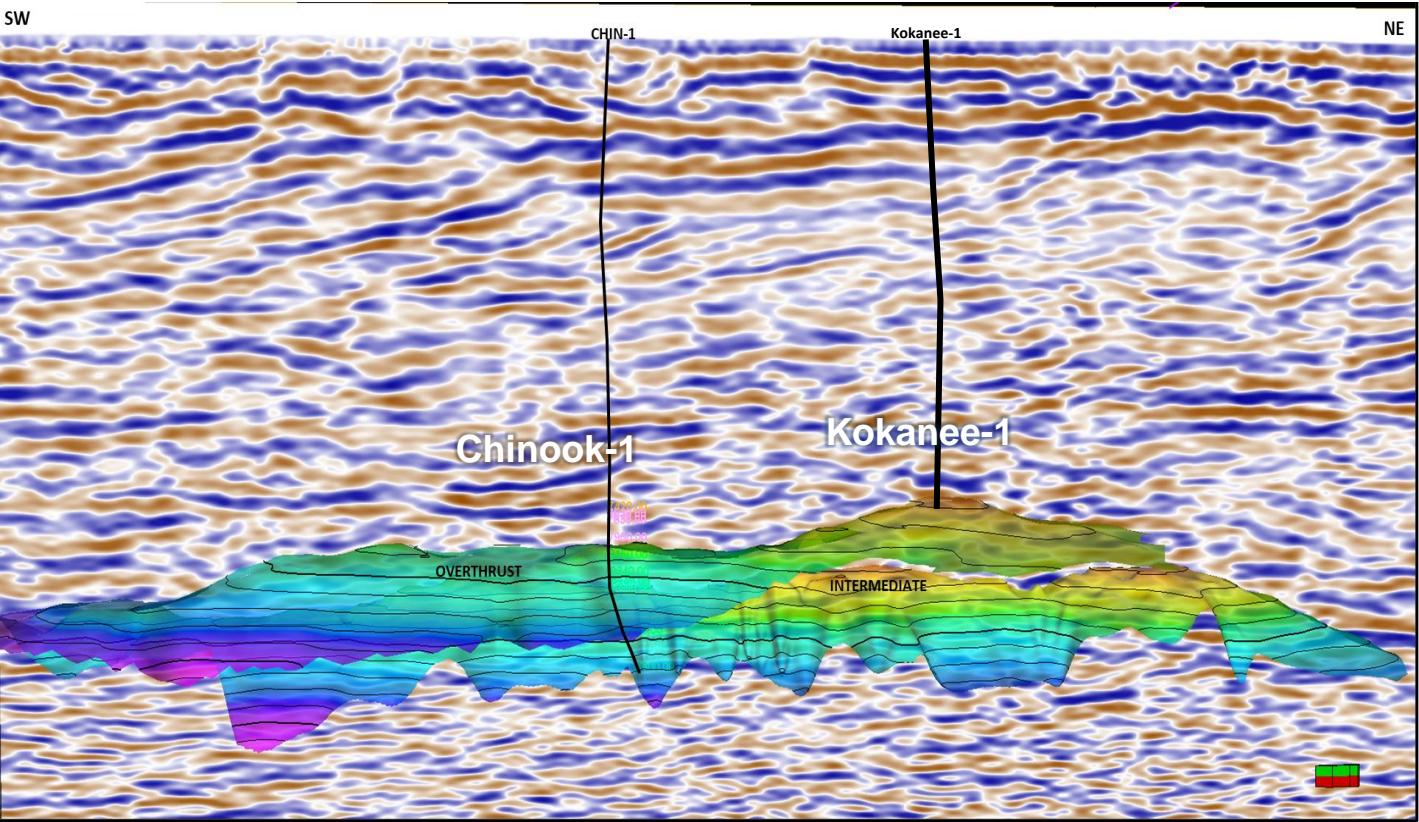
**14**  
Potential prospects

**~50%**  
Targeted increase in  
2P reserves

# Kokanee Exploration Prospect



*Kokanee-1 targets an anticipated total depth of 10,000 feet and focuses on hydrocarbons trapped in the Middle Miocene Herrera sands, which are expected to be 1,000 feet up-dip from Chinook-1*



# Kraken-1 Exploration Prospect



*Kraken-1 would be the first onshore Cretaceous attempt in more than 15 years and potentially the 7<sup>th</sup> deepest well drilled on the island of Trinidad*

**1993**

Exxon's RP-1 drilled to 16,006 feet and tested gas in sandstone

**1994**

Exxon's IGR-1 drilled to 12,762 feet and encountered residual oils in sandstones and carbonates

**1995**

Exxon's SCRX-1 drilled to 17,587 feet and encountered residual oil in sandstones

**2005**

Talisman's Zaboca-1 drilled to 15,681 feet and did not encounter sandstones

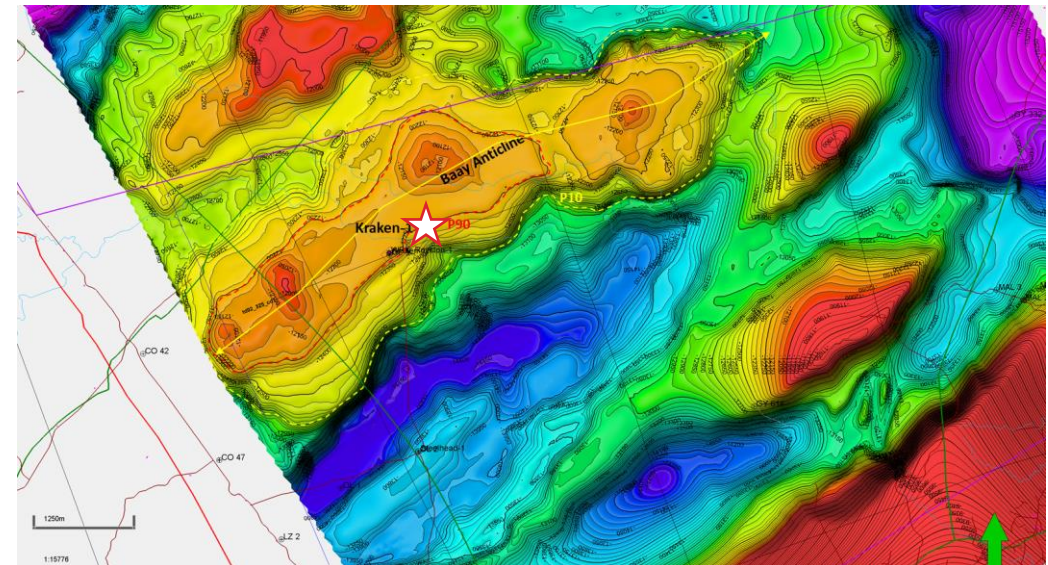
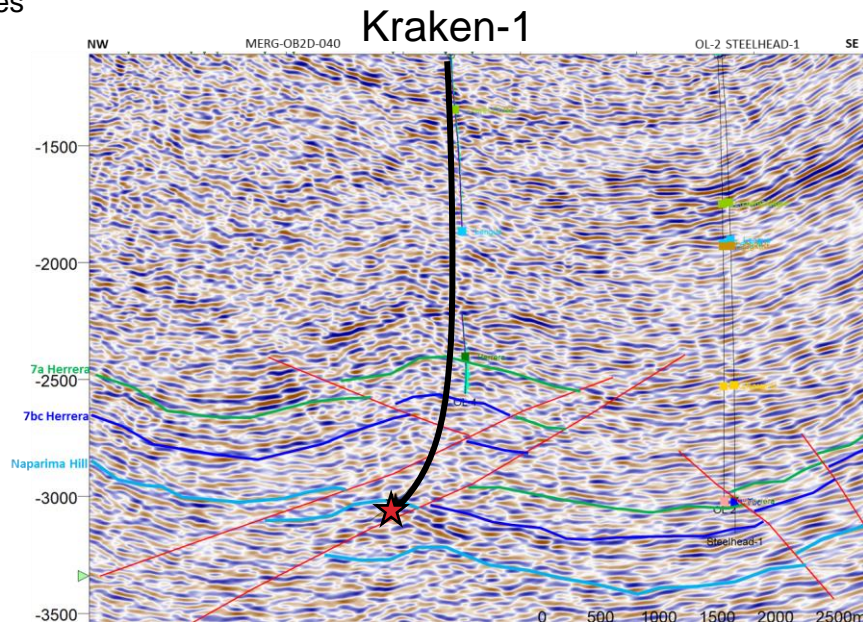
**2006**

Talisman's Shandon Beni-1 drilled to 14,616 feet and encountered residual oil in sandstones

**Kraken**

Anticipated total depth of 14,000 feet

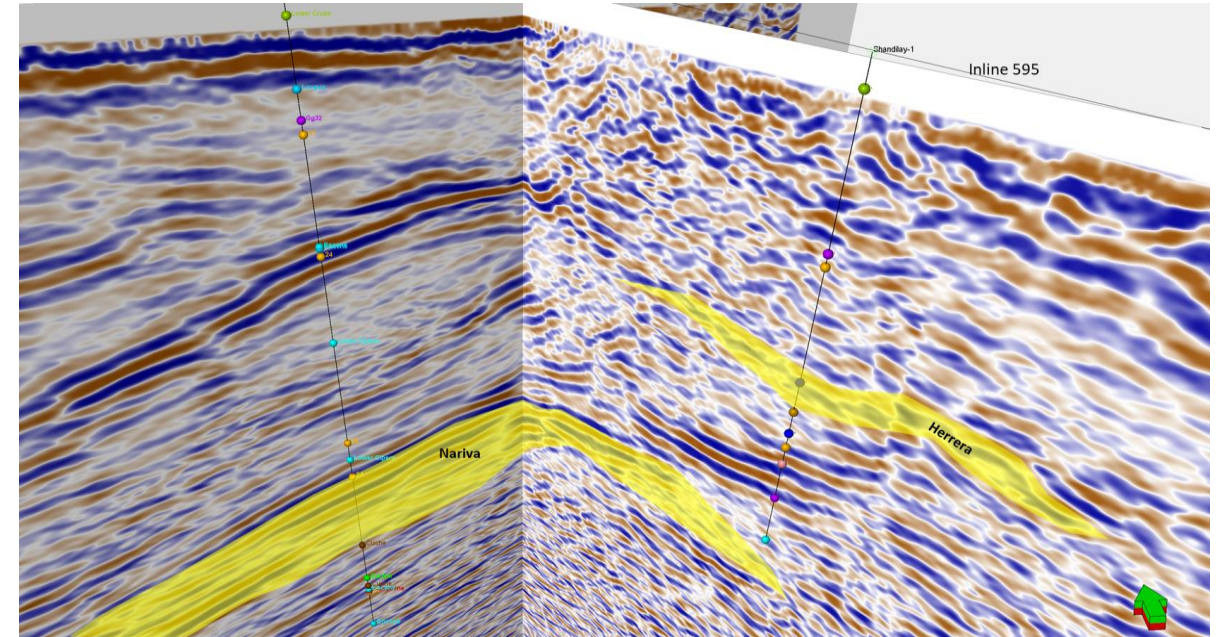
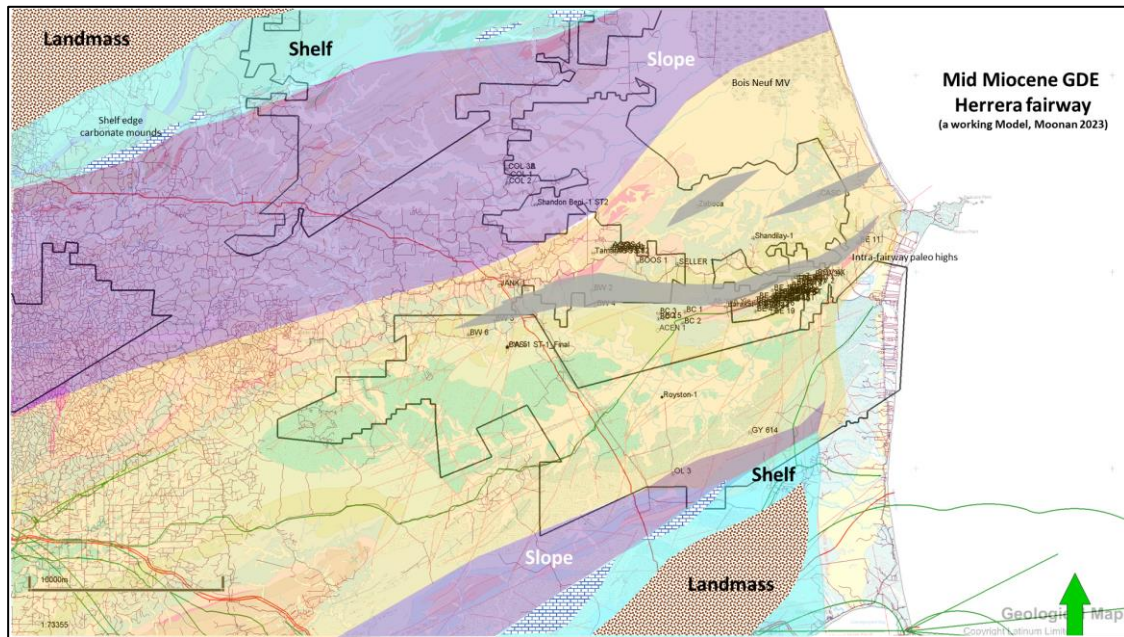
The key element to success in the Cretaceous is for minimal post-charge deformation. After being charged approximately 5 million years ago, the Kraken structure has not moved.



# Rio Claro and Balata Deep Exploration <sup>(1)</sup>



*Certain Ortoire Herrera prospects extend into the Rio Claro and Balata East Deep blocks and can be drilled from locations with CEC approval*



Two prospective targets identified below  
**Balata East** targeting the  
Herrera thrust sheets

Two prospective targets identified below  
**Balata Central** targeting the  
Herrera thrust sheets

Reservoir plays identified for further analysis:  
Shandilay **northern** Herrera fairway  
Nariva **Zaboca sands**  
Balrog **Cretaceous** structure

Note:

(1) Rio Claro and Balata Deep are part of an asset exchange transaction, which is subject to numerous closing conditions, including receipt of applicable regulatory approvals. There can be no certainty that the transaction will close.



# Charuma Exploration<sup>(1)</sup>

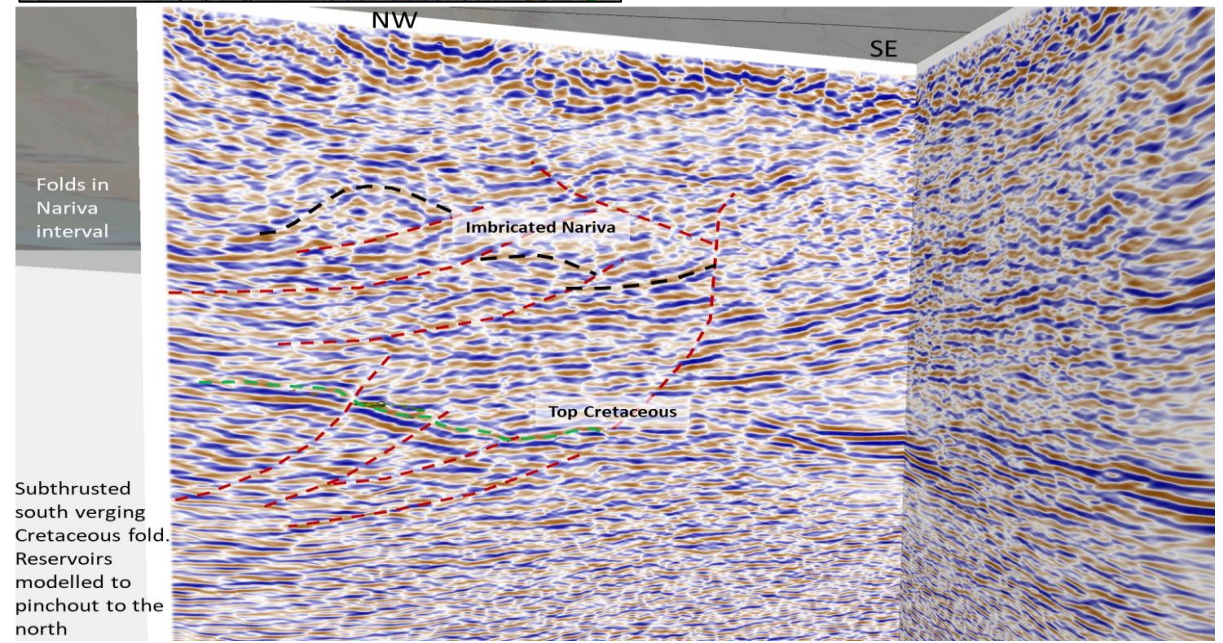
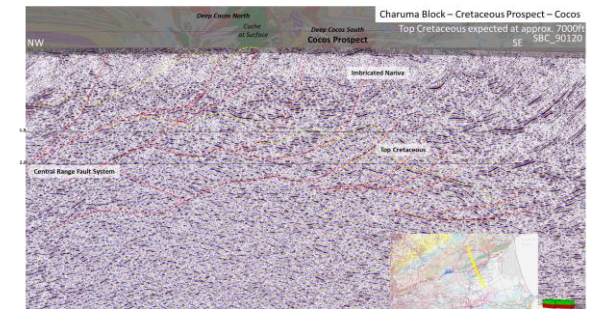
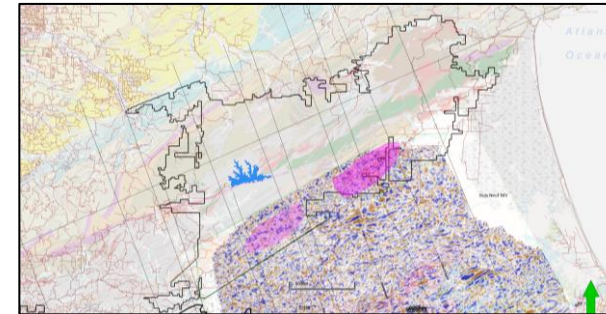
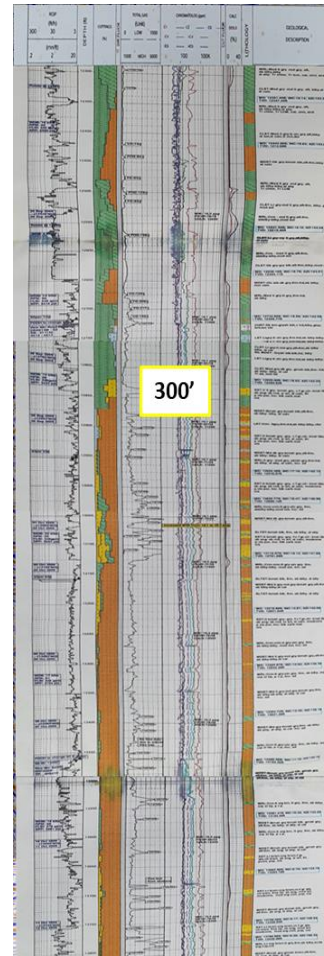


The Charuma block was surveyed primarily by **2D seismic**

The eastern part of the Charuma block was surveyed by **3D seismic**

Exploration prospects in the **Nariva** sands target depths from 2,000 to 5,000 feet

Exploration prospects in the **Cretaceous** sands target depths of 7,000 feet and deeper



Note:

(1) The MEEI has been authorized to enter into discussions with the Company regarding the Charuma Block to improve the minimum work program. There can be no certainty that the parties will negotiate a minimum work program and execute an Exploration and Production (Public Petroleum Rights) Licence.

# Driving ESG Standards in Trinidad

Leading the way for the oil and gas sector in Trinidad



# ESG Overview



*Improving our long-term success by considering our environmental and social impacts*



## Environmental

## Social

## Governance

**19%**

Decrease in carbon intensity from 2021

**One**

Lost time incident in 2.5 years

**33%**

Female representation on the Board

**7%**

Reduction in emissions in comparison to 2021

**83%**

Local workforce

**89%**

Independent board members

**176%**

Increase in injected water in comparison to 2021

**\$15.2MM**

In local procurement in 2022

**100%**

Employees re-certified on our Code of Conduct and Ethics



# Investment Case



*What makes Touchstone a solid investment for long-term growth?*



**Significant  
development  
opportunities**



**Increased cash  
flows to fuel  
growth  
initiatives**



**Fixed-price gas  
contract  
delivering  
stable financial  
position**



**High quality  
organic growth  
prospects**



**Opportunities  
to expand  
asset base**



**Robust  
domestic  
demand**

# Corporate Information and Contacts



## *Stock Exchange Listing*

TSX: TXP

AIM: TXP

## *Year-end*

December 31

## *Banker*

Republic Bank Limited

## *Auditor*

KPMG LLP

## *Reserves evaluator*

GLJ Ltd.

## *Legal counsel*

Norton Rose Fulbright LLP

## *Transfer agent*

Odyssey Trust Company  
Link Group

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### *James Shipka*

Chief Operating Officer  
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(403) 750-4455

## **Office Locations**

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Fax: (403) 266-5794  
info@touchstoneexploration.com

### *Trinidad Offices*

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Office: (868) 677-7411

### *Primera Oil and Gas Limited*

14 Sydney Street  
Rio Claro, Trinidad  
Office: (868) 677-7411

# Abbreviations



bbbl(s)	barrel(s)
bbls/d	barrels per day
Mbbls	thousand barrels
MMbbls	million barrels
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
Bcf	billion cubic feet
Bcf/d	Billion cubic feet per day
MMBtu	million British Thermal Units
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Mboe	thousand barrels of oil equivalent
MMboe	million barrels of oil equivalent

1P	Proved reserves
2P	Proved plus probable reserves
3P	Proved plus probable plus possible reserves
AIM	AIM market of the London Stock Exchange plc
Brent	Dated Brent
ESG	Environmental, social and governance
NGLs	Natural gas liquids
NPV10	Net present value of future cash flows discounted at 10%
TSX	Toronto Stock Exchange
\$ or US\$	United States dollars
\$MM	million dollars



# Advisories



This presentation is for information purposes only and is not under any circumstances to be construed as a prospectus or an advertisement for a public offering of such securities. No securities commission or similar authority in Canada or elsewhere including the TSX has in any way passed upon this presentation, or the merits of any securities of Touchstone Exploration Inc., and any representation to the contrary is an offence. An investment in Touchstone Exploration Inc.'s securities should be considered highly speculative due to the nature of the proposed involvement in the exploration for and production of petroleum and natural gas. This presentation and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities of Touchstone Exploration Inc. have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## Currency

Unless otherwise stated, all financial amounts herein are presented in United States dollars. The Company may also reference Canadian dollars ("C\$"), Trinidad and Tobago dollars ("TT\$") and Pounds Sterling ("£") herein.

## Forward-looking Statements

Certain information regarding Touchstone Exploration Inc. ("Touchstone", "we", "our", "us", or the "Company") set forth in this presentation 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 "expect", "plan", "anticipate", "believe", "intend", "maintain", "continue to", "pursue", "design", "result in", "sustain", "estimate", "potential", "growth", "near-term", "long-term", "forecast", "contingent" 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 presentation speak only as of the date hereof and are expressly qualified by this cautionary statement.

Forward-looking statements in this presentation include, but are not limited to, those in respect of: the Company's business plans, strategies, priorities, goals and long-term plans; potential acquisition opportunities within Trinidad; the potential for future shareholder returns; exploration, development and production opportunities and activities, including anticipated, drilling, drilling locations, production testing, development, tie-in, facilities construction, and ultimate production and production rates from exploration and development wells; opportunities to increase production through well optimization and enhanced oil recovery projects; the quality and quantity of prospective hydrocarbon accumulations based on wireline logs, including the Company's interpretations thereof; the Company's expectation of future funds flow from operations and capital expenditures and the amount thereof; the Company's future Ortoire exploration activities; the extent to which local communities will benefit from the Company's operations; the ultimate closing of the proposed asset exchange transaction and the anticipated benefits therefrom; the anticipated execution of a licence for the Ciperio block; the successful negotiations with the MEEI regarding the Charuma block and the expectation of executing a licence; general business strategies and objectives; Touchstone's ability to pursue development opportunities that generate positive returns and position it for success; the Company's intention to expand the current revolving portion of its credit facility; the focus of Touchstone's 2024 capital plan, including pursuing developmental drilling activities and optimizing existing natural gas and liquids infrastructure capacity; anticipated 2023 and 2024 annual average production and production by commodity; forecasted production decline rates; anticipated timing of developmental and exploration drilling production; anticipated 2024 capital expenditures including estimations of costs and inflation incorporated therein; expected drilling activities, including locations and the timing thereof; anticipated timing of well tie-in operations; forecasted 2024 average Brent reference price and the Company's budgeted realized price in relation thereto; forecasted royalty, operating, general and administration, cash finance and income tax expenses; anticipated funds flow from operations and net debt; field estimated production; and Touchstone's current and future financial position, including the sufficiency of resources to fund future capital expenditures and maintain financial liquidity.

The Company's actual decisions, activities, results, performance, or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Touchstone will derive from them. The assumptions used to generate this forward-looking formation and statements include, among other things, the assumption that the Company will be able to increase the revolving component of its credit facility from \$7 million to \$20 million in the first quarter of 2024.

# Advisories



With respect to forward-looking statements contained in this presentation, the Company has made assumptions regarding: financial condition; outlook and results of operations; exploration, development and associated operational plans (including drilling, testing, facilities construction and recompletion programs) and the anticipated costs and timing thereof; estimated oil and gas reserves (including the magnitude, ability to recover, commerciality and net present value thereof); production rates and production decline rates; net feet of pay based on internal estimates of wireline logs; the success of exploration opportunities; plans for and results of production testing and anticipated initial production rates derived therefrom; the ability to secure necessary personnel, equipment, production licences, regulatory approvals and services; environmental matters; future commodity prices; changes to prevailing regulatory, royalty, tax and environmental laws and regulations; the impact of competition, future capital and other expenditures (including the amount, nature and sources of funding thereof); future financing sources; business prospects and opportunities; the impact ongoing geopolitical issues will have on the Company's future operations and future petroleum pricing; and ESG related metrics and goals, among other things.

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.

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. New factors emerge from time to time, and it is not possible for Management to predict all of such factors and to assess in advance the impact of each such factor on Touchstone's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. 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. Some of the risks that could affect the Company's future results and could cause results to differ materially from those expressed in the forward-looking information are described under the heading "Advisories: Business Risks" in this presentation and are also set out in more detail in the Company's 2022 Annual Information Form dated March 23, 2023 which has been filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

Touchstone's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this presentation in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

This presentation contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Touchstone's prospective results of operations and production included in its 2024 guidance, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the paragraphs above. The FOFI contained herein was approved by Management on December 18, 2023 and was provided for the purpose of providing further information about Touchstone's future business operations. This information has been provided for illustration only and, with respect to future periods, is based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Touchstone and its Management believe that FOFI has been prepared on a reasonable basis, reflecting Management's best estimates and judgments, and represents, to the best of Management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Touchstone disclaims any intention or obligation to update or revise any FOFI contained in this presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this herein should not be used for purposes other than for which it is disclosed herein, and the financial outlook information contained herein is not conclusive and is subject to change. Changes in the intended increase in the Company's credit facility, variations in forecasted crude oil and liquids prices, differences in the amount and timing of capital expenditures, and variances in average production estimates and decline rates can have a significant impact on the key performance measures included in the guidance disclosed herein. Management does not have firm commitments for its intended increase in debt capacity nor for the costs, expenditures, prices or other financial assumptions used to prepare the financial outlook or assurance that such operating results will be achieved and, accordingly, the complete financial effects of the forecasted costs, expenditures, prices and operating results are not objectively determinable. The actual results of the Company's operations and the resulting financial results will vary from the amounts set forth herein and such variations may be material.



## Forward-looking Statements (continued)

**Investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and Touchstone undertakes no obligation or intent to update any forward-looking statements or information except as required by law, including securities laws. All forward-looking statements contained in this presentation are qualified by such cautionary statements.**

## Business Risks

The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results. The Company is exposed to risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities. Operations may be unsuccessful or delayed as a result of competition for services, supplies and equipment, mechanical and technical difficulties, ability to attract and retain qualified employees on a cost-effective basis, commodity and marketing risk. The Company is subject to significant drilling risks and uncertainties including the ability to find oil and natural gas reserves on an economic basis and the potential for technical problems that could lead to well blow-outs and environmental damage. The Company is exposed to risks relating to the inability to obtain timely regulatory approvals, surface access, access to third-party gathering and processing facilities, transportation and other third-party related operation risks. The Company is subject to industry conditions including changes in laws and regulations, including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced. There are uncertainties in estimating the Company's reserve and resource base due to the complexities in estimated future production, costs and timing of expenses and future capital. The Company is subject to the risk that it will not be able to fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its properties. The financial risks the Company is exposed to include, but are not limited to, the impact of general economic conditions in Canada, the United Kingdom and Trinidad, continued volatility in market prices for oil and natural gas, the impact of significant declines in market prices for oil and natural gas, the ability to access sufficient capital from internal and external sources, changes in income tax laws, royalties and incentive programs relating to the oil and natural gas industry, fluctuations in interest rates, the C\$ to US\$ exchange rate and the US\$ to TT\$ exchange rate. The Company is subject to local regulatory legislation, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties or production restrictions or the termination of licence or other rights related to the Company's oil and natural gas interests in Trinidad. Readers are cautioned that the foregoing list of factors is not exhaustive. Certain of these risks are set out in more detail in the Company's 2022 Annual Information Form dated March 23, 2023 which has been filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

## Oil and Gas Reserves

All reserves references herein are Company gross reserves. Gross reserves are the Company's working interest share before deduction of royalties. Net reserves are the Company's working interest share after the deduction of royalty obligations.

The December 31, 2022 reserves information included herein are based on the Company's December 31, 2022 independent reserve report prepared by Touchstone's independent reserves evaluator, GLJ Ltd. ("GLJ"), dated March 3, 2023. The report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGEH") and National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). All December 31, 2022 reserves presented are based on the average price forecasts of the three leading Canadian oil and gas evaluation consultants (GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd.) dated January 1, 2023 and estimated costs effective December 31, 2022. The disclosure in this presentation 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, 2022 are included in the Company's 2022 Annual Information Form dated March 23, 2023 which has been filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).



## Oil and Gas Reserves (continued)

The recovery and reserve estimates of crude oil, natural gas and NGL reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than or less than the estimates provided herein. This presentation summarizes the crude oil, natural gas and NGL reserves of the Company and the net present values of future net revenue for such reserves using forecast prices and costs prior to provision for interest and finance costs, general and administration expenses, and the impact of any financial derivatives. It should not be assumed that the present worth of estimated future net revenues presented herein 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.

## Oil and Gas Measures

To provide a single unit of production for analytical purposes, natural gas production has been converted mathematically to barrels of oil equivalent. We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalent conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

## Product Type Disclosures

This presentation includes references to crude oil, NGLs, natural gas, and average daily production volumes. Under NI 51-101, disclosure of production volumes should include segmentation by product type as defined in the instrument. In this document, references to "crude oil" refer to "light crude oil and medium crude oil" and "heavy crude oil" combined product types; references to "NGLs" refer to condensate; and references to "natural gas" refer to the "conventional natural gas" product type, all as defined in the instrument. For further information, refer to the "Advisories: Product Type Disclosures" section of our Management's Discussion and Analysis for the three and nine months ended September 30, 2023, which is incorporated herein by reference, and available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## Oil and Gas Drilling and Test Results

References in this presentation to production test rates and estimated initial flow and optimization 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.



## Drilling Locations

This presentation discloses total drilling locations. Drilling locations are classified into three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Company's reserves evaluation of GLJ effective December 31, 2022 and account for locations that have associated proved, probable and/or possible reserves, as applicable. Unbooked locations are internal estimates based on the prospective acreage associated with the Company's assets and an assumption as to the number of wells that can be drilled based on industry practice and internal review. Unbooked locations do not have attributed reserves. Unbooked locations have been identified by Management as an estimation of potential multi-year development and exploration drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations, and if drilled there is no certainty that such locations will result in additional petroleum and gas reserves or production. The locations on which the Company will drill wells will ultimately depend upon the availability of capital, regulatory approvals, petroleum and natural gas prices, costs, actual drilling results, additional reservoir information that can be obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells and historical wells drilled in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where Management has less information about the characteristics of the reservoir, and therefore there is more uncertainty whether wells will be drilled in such locations; and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves or production.

## ESG Metrics

Touchstone has taken care to ensure the information in this presentation is accurate. However, the ESG data presented includes targeted goals, approximations and estimates, which will differ from actual results, and is for informational purposes only. The Company disclaims any liability whatsoever for errors or omissions. Further, some information in this presentation may have been disclosed previously in Touchstone's other public disclosure, and such disclosure is not intended in any way to be qualified, amended, modified or supplemented by information herein. The intent of the metrics provided in this presentation is to increase the readers' knowledge of Touchstone and its operations and ESG goals. However, it does not provide investment advice, and readers are responsible for making their own financial and investment decisions.

"Material" may be used within this report to describe issues for voluntary ESG reporting that are considered to have the potential to significantly affect ESG performance in our view and may be important in the eyes of internal or external stakeholders. However, material for the purposes of this presentation should not be read as equating to any use of the word in other Touchstone public reporting or filings.

There is no single standard system that applies across companies for compiling and calculating the quantity of greenhouse gas emissions and other sustainability metrics attributable to Touchstone's operations. Accordingly, such information may not be comparable with similar information reported by other companies. The Company's greenhouse gas emissions are derived from various internal reporting systems that are generally different from those applicable to the financial information presented in its consolidated financial statements and are, in particular, subject to less sophisticated internal documentation as well as preparation and review requirements, including the general internal control environment. Touchstone may change its policies for calculating these greenhouse emissions in the future without prior notice.

## Non-GAAP Financial Measures

This presentation makes reference to various non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as such terms are defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure. Such measures are not recognized measures under Generally Accepted Accounting Principles ("GAAP") and do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar financial measures disclosed by other issuers. Readers are cautioned that the non-GAAP financial measures referred to herein should not be construed as alternatives to, or more meaningful than, measures prescribed by IFRS and they are not meant to enhance the Company's reported financial performance or position. These are complementary measures that are commonly used in the oil and natural gas industry and by the Company to provide shareholders and potential investors with additional information regarding the Company's performance, liquidity and ability to generate funds to finance its operations. For further information, refer to the "Advisories: Non-GAAP Financial Measures: Operating netback" section of our Management's Discussion and Analysis for the three and nine months ended September 30, 2023, which is incorporated herein by reference, and available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).



# Advisories (Continued)



## Non-GAAP Financial Measures (continued)

Funds flow from operations is included in the Company's consolidated statements of cash flows. Touchstone considers funds flow from operations to be a key measure of operating performance as it demonstrates the Company's ability to generate the funds necessary to finance capital expenditures and repay debt. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow from operations provides a useful measure of the Company's ability to generate cash that is not subject to short-term movements in non-cash operating working capital.

The Company uses operating netback as a key performance indicator of field results. The Company considers operating netback to be a key measure as it demonstrates Touchstone's profitability relative to current commodity prices and assists Management and investors with evaluating operating results on a historical basis. Operating netback is a non-GAAP financial measure calculated by deducting royalties and operating expenses from petroleum and natural gas sales. The most directly comparable financial measure to operating netback disclosed in the Company's consolidated financial statements is petroleum and natural gas revenue net of royalties. Operating netback per boe is a non-GAAP ratio calculated by dividing the operating netback by total sales volumes for the period. Presenting operating netback on a per boe basis allows Management to better analyze performance against prior periods on a comparable basis.

Market capitalization is a supplementary financial measure and is calculated as period end common share price multiplied by the number of common shares outstanding at the end of the period. Management believes that market capitalization provides a useful measure of the market value of Touchstone's equity.

Capital expenditures is a non-GAAP financial measure that is calculated as the sum of exploration and evaluation asset expenditures and property, plant and equipment expenditures included in the Company's consolidated statements of cash flows and is most directly comparable to cash used in investing activities. Touchstone considers capital expenditures to be a useful measure of its investment in its existing asset base.

Net debt is monitored by management as part of the Company's capital structure to evaluate its true debt and liquidity position and to manage capital and liquidity risk. Net debt is calculated by summing the Company's working capital and the principal (undiscounted) long-term amount of senior secured debt and is most directly comparable to total liabilities disclosed in the Company's consolidated balance sheets. Working capital is calculated by subtracting current liabilities from current assets as they appear on the applicable consolidated balance sheets.

Realized commodity price per boe - is comprised of petroleum and natural gas sales as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

Royalties as a percentage of petroleum and natural gas sales - is comprised of royalties as determined in accordance with IFRS, divided by petroleum and natural gas sales as determined in accordance with IFRS.

Operating expenses per boe - is comprised of operating expenses as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

General and administration expenses per boe - is comprised of general and administration expenses as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

Cash finance expenses per boe - is comprised of cash finance expenses, divided by the Company's total production volumes for the period. Cash finance expenses are calculated as net finance expenses as determined in accordance with IFRS, less accretion on decommissioning obligations, which are non-cash in nature.

Current income tax expense per boe - is comprised of current income tax expenses as determined in accordance with IFRS, divided by the Company's total production volumes for the period.

# Advisories (Continued)



## Assumptions for 2024 Guidance

The significant assumptions used in the forecast of average daily production, funds flow from operations and net debt are summarized below. These key performance measures are based on the midpoint of 2024 average production guidance of 9,400 boe/d.

Annual Financial Guidance <sup>(1)</sup>	Units	Year ending December 31, 2024
Realized commodity price <sup>(2)</sup>	\$/boe	23.10
Expenses		
Royalties as a % of petroleum and natural gas sales <sup>(2)</sup>	%	20
Operating expenses <sup>(2)</sup>	\$/boe	3.50
General and administration expenses <sup>(2)</sup>	\$/boe	3.10
Cash finance expenses <sup>(2)</sup>	\$/boe	1.00
Current income tax expenses <sup>(2)</sup>	\$/boe	1.80

Note:

(1) The financial performance measures included in the Company's 2024 preliminary guidance are based on the midpoint of the average production forecast.

(2) Non-GAAP financial measure. See the "Advisories - Non-GAAP Financial Measures" section herein for further information.

The 2024 budget is contingent on the Company increasing the revolving component of its credit facility from \$7 million to \$20 million in the first quarter of 2024. Although preliminary discussions have commenced, there can be no certainty that the Company will be able to increase its current credit facility at all, or in the quantum and time frame contemplated by Management. Accordingly, the 2024 budget and preliminary guidance disclosed in the presentation may be subject to change, and such changes may be material.

Production estimates contained in the presentation are expressed as anticipated average production over the calendar 2024 year. All production volumes disclosed in this presentation are based on Company working interest before royalty burdens. In determining anticipated 2024 production, Touchstone considered historical drilling, completion, production results and decline rates for prior years and considered the estimated impact on production of the Company's 2024 expected drilling and completion activities.

Touchstone expects that approximately 12 percent of its midpoint average production guidance will be comprised of light and medium crude oil, 6 percent NGLs, and 82 percent of conventional natural gas. References to "crude oil and liquids" in the presentation include light and medium crude oil product types combined and references to "NGLs" include condensate, as such terms are defined in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Changes in the Company's available bank debt capacity, variations in forecasted crude oil and liquids prices, differences in the amount and timing of capital expenditures, and variances in average production estimates and decline rates can have a significant impact on the key performance measures included in the guidance disclosed in the presentation. The actual results of the Company's operations and the resulting financial results will vary from the amounts set forth in this presentation and such variations may be material.

Using the midpoint of the Company's production guidance and holding all other assumptions constant, a \$5/bbl increase (decrease) in the forecasted average Brent crude oil price for 2024 would increase funds flow from operations by approximately \$1.2 million (decrease by \$1.2 million). Assuming capital expenditures are unchanged, the impact on funds flow from operations is estimated to result in an equivalent decrease (increase) in forecasted year end 2024 net debt.