



TOUCHSTONE LIQUIDATES HEDGING CONTRACTS AND REPAYS BANK LOAN BALANCE

Calgary, Alberta – June 7, 2016 – Touchstone Exploration Inc. ("Touchstone" or the "Company") (TSX:TXP) announces that it liquidated its outstanding commodity hedging contracts on June 2, 2016 for gross proceeds of US\$2,019,000 and voluntarily repaid its outstanding US\$2,000,000 principal credit facility balance.

Effective June 7, 2016, the Company and its lender executed an Amendment and Limited Waiver to the Credit Agreement (the "Amendment"). The Amendment waived the Company's minimum hedging requirement under the credit facility, which was previously set at notional volumes of 800 barrels per day ("bbls/d") on a rolling twelve-month basis. The Amendment also cured the Company's April and May monthly production covenant breaches. Touchstone produced an average of 1,318 bbls/d in April and 1,366 bbls/d in May compared to the minimum monthly average requirement of 1,400 bbls/d.

In addition, the Amendment reduced the credit facility borrowing base from US\$8,000,000 to US\$6,000,000. Currently there is no balance drawn on the credit facility, and the full \$6,000,000 borrowing base is dedicated to the Company's letter of credit relating to the East Brighton property.

The Amendment also extended the previously disclosed US\$1,000,000 prepayment due on May 31, 2016 to July 15, 2016 should the East Brighton letter of credit remain outstanding. In the event that this prepayment occurs or the East Brighton letter of credit is cancelled, the borrowing base is concurrently reduced by an equal amount.

Upon the closing of the East Brighton disposition and the cancellation of the associated letter of credit, the Company and its lender will assess the credit facility which may include a new borrowing base redetermination.

Advisory Regarding Forward-Looking Statements

Certain information provided in this news release may constitute forward-looking statements within the meaning of applicable securities laws. Specifically, this news release contains forward-looking statements relating to the Company's expected sale of its East Brighton property, cancellation of the associated letter of credit and future discussions with the Company's lender with respect to review of the Company's credit facility and its borrowing base. 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 Annual Information Form dated March 24, 2016 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.

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 under the symbol "TXP".

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