



## TOUCHSTONE ANNOUNCES SECOND QUARTER OPERATIONS UPDATE

Calgary, Alberta – July 17, 2017 - Touchstone Exploration Inc. ("Touchstone" or the "Company") (TSX / LSE: TXP) announces the following operational update for the three months ended June 30, 2017 (the "second quarter").

### Highlights

- Achieved second quarter crude oil sales of 1,335 barrels per day ("bbls/d").
- Realized an average price of US\$45.51 per barrel in the second quarter of 2017.
- Average field estimated daily oil production for the first two weeks of July was 1,455 bbls/d.
- The initial two wells of the 2017 drilling program were completed and placed on production; the average combined field estimated oil production for the first two weeks of July was 203 bbls/d.
- The final two wells of the 2017 drilling program have been drilled and cased for oil production encountering a combined net oil pay of approximately 637 feet.

### Production and Pricing

Second quarter 2017 crude oil production was 1,335 bbls/d, representing an increase of 4% from 1,280 bbls/d produced in the first quarter of 2017. Realized second quarter 2017 pricing for crude oil was US\$45.51 per barrel versus US\$48.20 per barrel received in the first quarter of 2017. The 6% decrease was a result of an 8% decrease in the Brent reference price over the period and a reduction in the realized Brent reference differential from approximately 10% to 8%.

The Republic of Trinidad and Tobago was affected by Tropical Storm Bret which struck the island on June 29<sup>th</sup> and 30<sup>th</sup>. The storm had minimal impact on Touchstone's production, and no safety issues were reported.

### Drilling Campaign

#### *Coora 1 Block*

In the second quarter of 2017, the Company drilled and completed two wells (CO-368 and CO369) on the Coora 1 property. Both wells are currently on production (100% oil).

CO-368 was perforated on June 13, 2017 with the initial completion targeting 15 feet of the estimated 195 feet of oil bearing sand encountered in the Cruse formation. The well is currently flowing 27° API oil up 7" production casing through a 12/32" choke with average daily oil production over the first 26 days of 111 bbls/d. The Company anticipates the well will be placed on pump once the pressure decreases. A larger interval in the well was initially designed for completion but high initial pressures required the well to be put to production immediately following the completion. This well is the deepest well the Company has drilled on the Coora 1 block and has verified the geological concept that many of the deeper sands in the area are highly productive.

The CO-369 well was perforated on June 23, 2017 with the initial completion targeting approximately 97 feet of the estimated 150 feet of oil bearing sands in the Cruse formation. The well was immediately put to pump with an average daily oil production rate of 151 bbls/d over the first 17 days of production. The well has over 2,000 feet of pump submergence and will be further optimized once additional pressure data is received.

### *Grand Ravine WD-4 Block*

The PS-598 well was spud on June 8, 2017 and was drilled to a total depth of 7,340 feet on June 29, 2017. Drilling was interrupted due to Tropical Storm Bret but no additional costs were incurred due to the delay. Wireline logs indicate approximately 355 feet of net oil pay as follows:

Upper Forest formation	260 feet
Lower Forest formation	59 feet
<u>Cruse formation</u>	<u>36 feet</u>
Total (net) oil pay	355 feet

The Company cased the well for oil production and has deferred the completion of the well subsequent to the drilling of PS-599, as the two wells share a common surface location. The initial completion in the PS-598 well will target the lowest 36 feet of oil sands encountered in the Cruse formation.

The PS-599 well was spud on June 30, 2017 and reached a total depth of 6,926 feet on July 11, 2017. The well was drilled to access hydrocarbons in a separate, but adjoining fault block to the PS-598 well. Wireline logs indicate the presence of approximately 282 feet of net oil pay in both the Forest and Cruse formations as follows:

Upper Forest formation	197 feet
Lower Forest formation	25 feet
<u>Cruse formation</u>	<u>60 feet</u>
Total (net) oil pay	282 feet

The Company will commence completion operations on the PS-598 well as soon as the drilling rig has moved off location and will complete the Cruse sands in the PS-599 well immediately thereafter. The initial completion in the PS-599 well will target lowermost 60 feet of oil sands encountered in the Cruse formation.

### **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 and the AIM market of the London Stock Exchange under the symbol "TXP".

### **Forward-Looking Statements**

Certain information provided in this press release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking information in this press release may include, but is not limited to, statements relating to field estimated production, the potential undertaking and timing of well drilling and completions, and the quality and quantity of prospective hydrocarbon accumulations as indicated by wireline logs. 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 21, 2017 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 press 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.

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