

CALGARY, ALBERTA--(Marketwired - Mar 9, 2016) - [Touchstone Exploration Inc.](#) ("Touchstone" or the "Company") (TSX:TXP) announces an update regarding its credit facility.

As previously disclosed, the Company was in breach of its credit facility January 2016 monthly production volume covenant. Effective March 8, 2016, the Company and its lender executed an Amendment and Limited Waiver to the Credit Agreement (the "Waiver") to waive the covenant breach. The Waiver also makes certain amendments to the credit facility, including a reduction of the Trinidad minimum production test (previously set at 1,600 barrels of oil per day) to 1,350 barrels of oil per day for the months of February and March 2016 and 1,400 barrels of oil per day thereafter. Touchstone's February 2016 Trinidad average production was 1,369 barrels of oil per day. Based on field estimates, Trinidad average production for the first week of March was 1,397 barrels of oil per day.

The Waiver also amends the credit facility to require mandatory prepayments of US\$2,000,000 on March 8, 2016 (which was funded from cash on hand and hedging proceeds received on January and February settlements) and US\$1,000,000 by April 8, 2016. Following these prepayments, the credit facility borrowing base will be US\$9,000,000 before reflecting the semi-annual borrowing base redetermination scheduled on April 1, 2016. This borrowing base redetermination will incorporate the Company's recently announced December 31, 2015 independent reserves evaluation.

US\$6,000,000 of the US\$9,000,000 borrowing base is currently dedicated to the Company's letter of credit relating to the East Brighton property. Following the finalization of the sale of the property and the cancellation of the letter of credit, the borrowing base will be reduced to US\$3,000,000, resulting in no change to the available credit facility balance. The Waiver also requires that the Company prepay an amount equal to the refund of all or any portion of the US\$2,080,000 deposit paid under the previously announced Trinidad asset acquisition should the transaction fail to close.

The following tables summarize the Company's net present values of future net revenues based on the results of the Company's independent December 31, 2015 crude oil reserves evaluation:

Net Present Values of Future Net Revenues After Income Taxes^{1,2}
Discounted at (% per year) (\$000's)

	0%	5%	10%	15%	20%
Proved					
Proved producing	64,546	45,462	36,647	31,282	27,547
Proved non-producing	9,729	9,151	8,573	8,018	7,497
Proved undeveloped	44,101	30,514	22,203	16,645	12,738
Total proved	118,376	85,127	67,423	55,945	47,782
Probable	115,719	77,411	57,391	44,790	36,137
Total proved plus probable	234,095	162,538	124,814	100,735	83,919

¹ Amounts may not add due to rounding.

² Estimated values of future net revenue disclosed herein do not represent fair market values.

The Company believes the future net revenues of its reserves as reflected in the table above allow for adequate borrowing base capacity. In addition, at December 31, 2015, the Company had a derivative asset fair value of approximately US\$5,500,000 and a total of US\$6,000,000 drawn on its credit facility.

Advisories

Oil and Natural Gas Reserves: Touchstone's year-end reserves were evaluated by independent reserves evaluator GLJ Petroleum Consultants Ltd. ("GLJ") in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Additional reserves information as required under NI 51-101 will be included in the Company's Annual Information Form which will be filed on SEDAR on or before March 30, 2016. The reserves estimates in this press release are based upon GLJ's Reserve Report dated March 8, 2016. All values in this press release are based on GLJ's forecast prices and estimates of future operating and capital costs as at December 31, 2015. All evaluations and reviews of future net revenues are stated prior to any provision for finance expenses or general and administrative costs and after the deduction of estimated future capital expenditures and estimated future well abandonment costs. It should not be assumed that the present worth of estimated future net revenues presented in the tables above 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. The recovery and reserves estimates of crude oil provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may be greater than or less than the estimates provided herein.

Forward-Looking Statements: Certain information provided in this news release may constitute forward-looking statements within the meaning of applicable securities laws. Specifically, this press release contains forward-looking statements relating to the Company's expected sale of its East Brighton property and the Company's upcoming credit facility borrowing base redetermination. 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 30, 2015 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 publicly update 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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