

Touchstone Raises US\$30 Million in Connection with Private Placement

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014. IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

CALGARY, Nov. 3, 2020 - [Touchstone Exploration Inc.](#) ("Touchstone", "we", "us" or the "Company") (TSX / LSE: TXP) announces that further to the Company's announcement on November 2, 2020 regarding the proposed private placing (the "Placing"), the Company has placed 24,291,866 new common shares of no par value (the "Placing Shares") with institutional and other investors in the United Kingdom and Canada at a price of 95 pence per Placing Share (approximately C\$1.64) (the "Placing Price"), raising gross proceeds of approximately US\$30.0 million (approximately £23.1 million and C\$39.8 million). The Placing Price represents a 3.4 percent and 5.7 percent discount to 98.39 pence and 100.76 pence, respectively, being the five and ten day volume weighted average price of the Company's common shares on the AIM market of the London Stock Exchange ("AIM") as of November 2, 2020. Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (together, "Shore Capital") and Canaccord Genuity Limited ("Canaccord") acted as Joint Bookrunners in connection with the placing of Placing Shares with investors in the UK (the "UK Placing"). Canaccord acted as Sole Bookrunner in connection with the placing of Placing Shares with investors in Canada (the "Canadian Placing").

Paul R. Baay, President and Chief Executive Officer, commented:

"Following the significant exploration success at Ortoire, which has consistently exceeded our expectations, the Placing will allow us to continue our exploration and development activities we have planned for the Ortoire block, as we seek to bring our existing natural gas discoveries onto production and drill further prospective targets. We are delighted by the support we have received from new and existing investors. We continue to thank our shareholders for their ongoing support, and we look forward to continuing to update shareholders as the exploration program continues."

Listing and Voting Rights

Application has been made for the Placing Shares, which will rank pari passu with the Company's existing issued share capital, to be admitted to trading on the Toronto Stock Exchange ("TSX") and AIM ("Admission"). Subject to the receipt of required approvals from the TSX and AIM, the Placing Shares are expected to be issued and admitted to trading on November 12, 2020. The Placing Shares will represent approximately 11.6 percent of the total issued share capital in the Company on Admission.

Placing Shares issued in connection with the Canadian Placing will be subject to a four-month and one day restricted hold period which will prevent such Placing Shares from being resold in Canada, through a Canadian exchange or otherwise, during the restricted period without an exemption from the Canadian prospectus requirement. Any Placing Shares placed outside of Canada pursuant to the UK Placing will be subject to the same four-month and one day restricted hold period which will prevent such Placing Shares from being sold in Canada, but such Placing Shares will otherwise be freely transferable.

Immediately following Admission of the Placing Shares, the Company's issued share capital will consist of 208,699,627 common shares. The Company does not hold any common shares in treasury. This figure may be used by shareholders to determine if they are required to notify their interest in, or a change to their interest in, the Company.

[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".

Advisories

Exchange Rate

For reference purposes in this announcement, one British pound has been translated into US dollars at a rate of 1.00 to 1.30 and Canadian dollars at a rate of 1.00 to 1.73.

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. Forward-looking statements in this announcement include, but are not limited to, those in respect of the Placing, including the size, pricing and timing thereof, the type of securities being offered thereunder, the investors participating therein, the intended use of proceeds therefrom (including with respect to future exploration, development and production activities and the locations thereof); and the conditions and approvals required and applications being filed in connection therewith. 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 December 31, 2019 Annual Information Form dated March 25, 2020 which has been filed on SEDAR and can be accessed at www.sedar.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 to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

Important Notice to UK Investors

This announcement and any other documentation that may be delivered directly to certain persons in connection with the UK Placing may constitute offering documents as defined under applicable securities

laws in certain jurisdictions. Otherwise, no prospectus, offering document or admission document will be made available in connection with the matters contained in this announcement.

In any EEA Member State that has implemented the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation"), as amended, and the United Kingdom (together with any implementing measures in any Member State and the United Kingdom), this announcement is only addressed to and directed at persons in such member states and the United Kingdom who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation ("Qualified Investors"). In addition, in the United Kingdom, this announcement is addressed and directed only at Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "Relevant Persons"). Any investment or investment activity to which this announcement relates is available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement does not itself constitute an offer for sale or subscription of any securities in the Company. Persons distributing this announcement must satisfy themselves that it is lawful to do so. This announcement is for information only and does not constitute an offer to sell, or a solicitation of an offer to buy or otherwise acquire, any securities in any jurisdiction. Persons needing advice should consult an independent financial adviser. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

Neither this announcement nor any copy of it may be taken or transmitted, published or distributed, directly or indirectly, in whole or in part, in, into or from the United States of America (including its territories and possessions, any state of the United States of America (the "United States" or the "US")), Australia, New Zealand, Japan, the Republic of Ireland or the Republic of South Africa or transmitted, distributed to, or sent by, any national or resident or citizen of any such countries or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction (each a "Restricted Jurisdiction"). Any failure to comply with this restriction may constitute a violation of securities laws in the Restricted Jurisdictions.

This announcement is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA") by, Shore Capital, Canaccord or any other person authorised under FSMA. This announcement is being distributed and communicated to persons in the United Kingdom and Canada only in circumstances in which section 21(1) of FSMA does not apply or otherwise falls within a relevant exemption. No prospectus will be made available in connection with the matters contained in this announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. Persons needing advice should consult an independent financial adviser.

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This announcement does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or other securities in Canada or the Restricted Jurisdictions. The UK Placing and the distribution of this announcement and other information in connection with the UK Placing in certain jurisdictions may be restricted by law and persons into whose possession this announcement and any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken by the Company, Shore Capital, Canaccord or any of their respective directors, officers, partners, agents, employees or affiliates that would permit an offer of the UK Placing Shares or possession or distribution of this announcement or any other publicity material relating to such Placing

Shares in any jurisdiction where action for that purpose is required. Persons receiving this announcement are required to inform themselves about and to observe any such restrictions.

The Placing Shares referred to in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Placing Shares have not been and will not be approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States. The information contained in this announcement is for background purposes only and does not purport to be full or complete.

No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. The Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Placing or any transaction or arrangement referred to in this announcement.

Any indication in this announcement of the price at which the Common Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This announcement has not been approved by any competent regulatory authority. Shore Capital and Corporate Limited ("SCC") is nominated advisor to the Company. SCC, which is authorised and regulated by the Financial Conduct Authority (the "FCA"), is acting exclusively for the Company and no one else in connection with the proposed Placing and will not be acting for any other person or otherwise responsible to any person other than the Company for providing the protections afforded to clients of SCC or for advising any other person in respect of the Placing. Shore Capital Stockbrokers Limited ("SCS") has been appointed as brokers to the Company in respect of the UK Placing. SCS, which is authorised and regulated by the FCA, is acting exclusively for the Company and no one else in connection with the proposed UK Placing and will not be acting for any other person or otherwise responsible to any person other than the Company for providing the protections afforded to clients of SCS or for advising any other person in respect of the UK Placing. Canaccord is authorised and regulated by the FCA and is acting exclusively for the Company and no one else in connection with the proposed UK Placing and will not be acting for any other person or otherwise responsible to any person other than the Company for providing the protections afforded to clients of Canaccord or for advising any other person in respect of the UK Placing.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Shore Capital, Canaccord or by any of their affiliates or their affiliates' agents, directors, officers and employees, respectively, as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

This announcement does not constitute a recommendation concerning any investor's options with respect to the UK Placing. The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014

("MAR"). Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR. The person responsible for arranging release of this information on behalf of the Company is Paul Baay.

Information to Distributors

Solely for the purposes of Article 9(8) of Commission Delegated Directive 2017/593 (the "Delegated Directive") regarding the responsibilities of manufacturers under the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are in compliance with the target market for the Placing of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all eligible distribution channels for dissemination of the Placing Shares, each as set out in this announcement, as are permitted by MiFID II (name: Henry Fitzgerald / Content / Nicholas Drent / +44 (0) 203 781 8330 / +44 (0) 203 781 8330; Canada: Financial P.R. Nick Harris / Billy Cleary / +1 (416) 689 5284; Market Assessment, distributors should note that the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the UK. Placing. Furthermore, it is noted that notwithstanding the Target Market Assessment, Shore Capital and Canaccord will only seek to procure investors who meet the criteria of professional clients and eligible counterparties.

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For the avoidance of doubt the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II, or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

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