

Touchstone Exploration Reports Third Quarter 2024 Results and Updated Guidance

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CALGARY, November 13, 2024 - [Touchstone Exploration Inc.](#) ("Touchstone", "we", "our" or the "Company") (TSX:TXP)(LSE:TXP) reports financial and operating results for the three and nine months ended September 30, 2024 and updated 2024 guidance.

Selected financial information is outlined below and should be read in conjunction with our September 30, 2024 unaudited interim condensed consolidated financial statements and related Management's discussion and analysis, both of which are available under our profile on SEDAR+ ([www.sedarplus.ca](#)) and on our website ([www.touchstoneexploration.com](#)). Unless otherwise stated, all financial amounts presented herein are rounded to thousands of United States dollars, and all production volumes disclosed herein are sales volumes based on Company working interest before royalty burdens.

Third Quarter 2024 Financial and Operating Highlights

- Achieved average quarterly production of 5,211 boe/d (75 percent natural gas), a 54 percent increase relative to 3,391 boe/d produced in the third quarter of 2023 (60 percent natural gas), reflecting a full quarter of natural gas production from the Cascadura field, slightly offset by Cascadura natural gas and associated liquids natural declines.
- Realized petroleum and natural gas sales of \$13,253,000 compared to \$11,682,000 in the equivalent quarter of 2023, primarily attributed to a 93 percent increase in natural gas production volumes, slightly offset by a reduction in average realized crude oil and liquids pricing.
 - Crude oil production contributed \$7,603,000 of petroleum sales at an average realized price of \$66.72 per barrel.
 - Cascadura field production volumes in the quarter contributed \$4,908,000 of natural gas sales at an average realized price of \$2.50 per Mcf and \$306,000 of petroleum sales at an average realized price of \$67.15 per barrel.
 - Natural gas production from the Coho-1 well contributed \$436,000 of natural gas sales in the quarter at an average realized price of \$2.16 per Mcf.
- Generated an operating netback of \$7,408,000, a 23 percent increase from the third quarter of 2023, primarily due to increased petroleum and natural gas sales and related royalties, as well as a 2 percent reduction in operating expenses.
- Achieved quarterly funds flow from operations of \$3,024,000 in the third quarter of 2024 compared to \$2,432,000 in the prior year equivalent period, attributed to the increase in operating netback partially offset by \$722,000 of transaction costs incurred in the quarter.
- Recognized net earnings of \$1,847,000 (\$0.01 per basic and diluted share) compared to net earnings of \$988,000 (\$0.00 per basic and diluted share) in the comparative quarter of 2023.
- \$3,068,000 in quarterly capital investments primarily focused on the completion of two Cascadura development wells, advancing the construction of the flowline from the Cascadura C site to the Cascadura natural gas processing facility and construction of the Cascadura B drilling pad.
- Exited the third quarter of 2024 with a cash balance of \$6,549,000 and a net debt position of \$29,593,000, resulting in a net debt to annual funds flow from operations ratio of 1.25 times, well within the Company's internal target of 2.0 times or below.

- Touchstone continued to accumulate Trinidad onshore acreage, executing two exploration and production licences in the third quarter for the Charuma and Cipero blocks.

Post Period-end Operating Highlights

- Primarily based from ongoing declines from our Cascadura-1ST1 and Cascadura-2ST1 wells, as well as the Cascadura facility being shut-in four days to accommodate the tie-in of the Cascadura C flow line and expansion project, we sold average net volumes of 3,993 boe/d in October 2024, comprised of:
 - average natural gas sales volumes of 16.4 MMcf/d (2,726 boe/d); and
 - average crude oil and natural gas liquid sales volumes of 1,267 bbls/d.
- On November 2, 2024, we safely commissioned the flowline connecting the Cascadura-2ST1 and Cascadura-3ST1 wells to our natural gas processing plant and commenced production testing operations.
- We entered into a minimum six-year exploration and production licence for an 80 percent operating working interest in the Rio Claro block effective November 5, 2024, which is strategically located adjacent to our Ortoire block and surrounds our Balata East field.
- On November 9, 2024, production testing of the Cascadura-2ST1 well was completed, with the well placed on continuous production at a choke restricted gross natural gas flow rate of approximately 20 MMcf/d and 400 bbls/d of NGLs.
- Cascadura-3ST1 production testing operations were completed on November 12, 2024, and the Company intends to place the well on permanent production at a choke restricted initial gross rate of approximately 600 to 700 bbls/d of oil.

Financial and Operating Results Summary

| Three months ended September 30, | | | Nine months ended September 30, | | |
|-------------------------------------|--------|-------------|------------------------------------|-------|-------------|
| 2024 | 2023 | % change | 2024 | 2023 | % change |
| Operational | | | | | |
| Average daily production | | | | | |
| Crude oil | | | | | |
| (1)1,239 (bbls/d) | 1,183 | 5 | 1,188 | 1,197 | (1) |
| NGLs | | | | | |
| (1) (bbls/d) | 176 | (72) | 137 | 59 | 100 |
| Crude oil and liquids | | | | | |
| (1) (bbls/d) | 1,359 | (5) | 1,325 | 1,256 | 5 |
| Natural gas | | | | | |
| (1)23,531 (Mcf/d) | 12,191 | 93 | 27,349 | 7,203 | 100 |

| | | | | | |
|--|----------|-------|---------|----------|-------|
| Average daily production (boé/d) (2) | 3,391 | 54 | 5,883 | 2,457 | 100 |
| Average realized prices (3) | | | | | |
| Crude oil (1) 66.72 (\$/bbl) | 71.89 | (7) | 70.01 | 66.38 | 5 |
| NGLs (1) 67.15 (\$/bbl) | 78.12 | (14) | 70.34 | 78.12 | (10) |
| Crude oil and liquids (1) (\$/bbl) | 72.69 | (8) | 70.04 | 66.94 | 5 |
| Natural gas (1) 2.47 (\$/Mcf) | 2.31 | 7 | 2.47 | 2.23 | 11 |
| Realized commodity price (2) 27.65 (\$/boé) | 37.44 | (26) | 27.25 | 40.76 | (33) |
| Production mix (% of production) | | | | | |
| Crude oil and liquids (1) 25 | 40 | | 23 | 51 | |
| Natural gas (1) 75 | 60 | | 77 | 49 | |
| Operating netback (\$/boe) (2) | | | | | |
| Realized commodity price (2) 27.65 | 37.44 | (26) | 27.25 | 40.76 | (33) |
| Royalties (3) (7.11) | (10.23) | (30) | (6.62) | (11.70) | (43) |
| Operating expenses (3) (5.08) | (7.94) | (36) | (4.50) | (10.44) | (57) |
| Operating netback (3) 15.46 | 19.27 | (20) | 16.13 | 18.62 | (13) |

Notes:

1. Refer "Advisories -Product Type Disclosures" for further information.
2. In the table above and elsewhere in this news release, references to "boe" mean barrels of oil equivalent that are calculated using the energy equivalent conversion method. Refer to "Advisories -Oil and Natural Gas Measures" for further information.
3. Non-GAAP financial measure. Refer to "Advisories - Non-GAAP Financial Measures" for further information.

| Three months ended September 30, | | | Nine months ended September 30, | | |
|--|--------|-------------|------------------------------------|--------|-------------|
| 2024 | 2023 | % change | 2024 | 2023 | % change |
| Financial (\$000's except per share amounts) | | | | | |
| Petroleum and natural gas sales 13,253 | 11,682 | 13 | 43,927 | 27,339 | 61 |
| Cash from operating activities 607 | 343 | 100 | 12,359 | 4,231 | 100 |
| Funds flow from operations 3,024 | 2,432 | 24 | 13,134 | 3,241 | 100 |
| Net earnings 847 | 988 | 87 | 8,814 | 638 | 100 |
| Per share - basic and diluted 0.01 | 0.00 | n/a | 0.04 | 0.00 | n/a |
| Exploration capital expenditures 452 | 3,498 | (87) | 620 | 17,043 | (96) |
| Development capital expenditures 2,616 | 111 | 100 | 19,953 | 720 | 100 |
| Capital expenditures (1)3,068 | 3,609 | (15) | 20,573 | 17,763 | 16 |
| Working capital deficit (1) | | | 3,865 | 13,419 | (71) |
| Principal long-term bank debt | | | 25,728 | 16,500 | 56 |

| | | | | | | |
|--|---------|---------|---------|---------|---|--|
| Net debt (1) | | | | | | |
| - end of period | | 29,593 | 29,919 | (1 |) | |
| Share Information (000's) | | | | | | |
| Weighted avg. shares outstanding: | | | | | | |
| Basic 236,382 | 233,541 | 1 | 235,189 | 233,243 | 1 | |
| Diluted 236,749 | 237,138 | - | 236,578 | 236,947 | - | |
| Outstanding shares | | | | | | |
| - end of period | | 236,461 | 234,213 | 1 | | |

Note:

1. Non-GAAP financial measure. Refer to "Advisories - Non-GAAP Financial Measures" for further information.

Outlook and Guidance

We remain committed to financial discipline and maximizing value from our portfolio of development and exploration assets. Our primary near-term strategy is to increase cash flow through the development of the Cascadura field. Our revised 2024 guidance is summarized in the table below.

| 2024 Summary (⁽¹⁾ December 19, 2023) | 2024 Updated Guidance (August 13, 2024) | 2024 Updated Guidance (November 12, 2024) |
|--|--|--|
| Capital expenditures (2)33,000 (\$000's) | 35,000 | 28,000 |
| Average daily production (boe/d) | 7,700 to 8,300 | 5,600 to 6,200 |
| % natural gas | % 82 | % 76 |
| % crude oil and liquids | % 18 | % 24 |

| | | | | | | |
|------------|------------|--------|--------|----|---|--|
| Average | | | | | | |
| Brent | | | | | | |
| crude | | | | | | |
| oil | 75.00 | 82.00 | 80.00 | | | |
| price | | | | | | |
| (\$/bbl) | | | | | | |
| % | | | | | | |
| realized | | | | | | |
| discount | | | | | | |
| to 18 | % | 16 | % | 16 | % | |
| Brent | | | | | | |
| price | | | | | | |
| Funds | | | | | | |
| flow | | | | | | |
| from | | | | | | |
| operations | (\$2,000s) | 28,000 | 17,000 | | | |
| (3) | | | | | | |
| (\$000's) | | | | | | |
| Net | | | | | | |
| debt | | | | | | |
| - | | | | | | |
| end | | | | | | |
| of 25,000 | | 28,000 | 32,000 | | | |
| year | | | | | | |
| (2)(3) | | | | | | |
| (\$000's) | | | | | | |

Notes:

1. Forward-looking statement representing Management estimates. Refer to "Advisories - Forward-looking Statements" for further information.
2. Non-GAAP financial measure. Refer to "Advisories - Non-GAAP Financial Measures" for further information.
3. The financial performance measures provided in the Company's 2024 guidance are based on the midpoint of the average production forecast, being 5,900 boe/d (formerly 9,400 boe/d and 8,000 boe/d).

In the third quarter of 2024, we faced delays in completing the final commissioning of the flowline connecting our Cascadura C well pad to the Cascadura natural gas processing facility. Additionally, bridge construction required for relocating the drilling rig to the Cascadura B well site was delayed.

Our capital guidance from August 13, 2024 originally planned for drilling two Cascadura development wells from the Cascadura B well pad in the fourth quarter of 2024. However, inclement weather delayed bridge construction, and we now anticipate drilling one Cascadura development well in December 2024, with the second well and related completion activities rescheduled for the first quarter of 2025. Consequently, our 2024 capital expenditures are expected to decrease from approximately \$35 million to \$28 million. Production from these two additional Cascadura B development wells is projected to commence in 2025, pending successful drilling, completion, and tie-in operations.

Our previous guidance projected initial production from the two Cascadura C wells by the end of September 2024. Production testing for our Cascadura-2ST1 and Cascadura-3ST1 development wells commenced on November 2, 2024. On November 9, 2024, the Cascadura-2ST1 well was placed on continuous production at an initial, choke-restricted gross natural gas flow rate of approximately 20 MMcf/d, accompanied by associated NGLs. Testing on the Cascadura-3ST1 well has verified it as a producer of medium gravity crude oil with natural gas. Touchstone plans to initiate continuous production from the Cascadura-3ST1 well at a choke-restricted initial gross production rate between 600 to 700 barrels of oil per day.

The delay in first production, along with updates to the type curves and commodity types for Cascadura-2ST1 and Cascadura-3ST1 based on initial test data, has led us to further update the midpoint of

our 2024 annual production guidance from 8,000 boe/d to 5,900 boe/d. Earlier production expectations were based on the Cascadura-1ST1 natural gas type curve, which has since been adjusted with our production testing data and anticipated online volumes.

With a revised average mid-point production forecast and updated estimates for the 2024 average Brent crude oil price, we now expect to generate approximately \$17 million in funds flow from operations, down from our previous forecast of \$28 million. In line with the adjustments to our 2024 capital program, we have also revised our year-end 2024 net debt guidance to \$32 million, reflecting a 14 percent increase from our previous guidance.

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". For further information about Touchstone, please visit our website at www.touchstoneexploration.com or contact:

Mr. Paul Baay, President and Chief Executive Officer

Mr. Scott Budau, Chief Financial Officer

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Advisories

Working Interest

Touchstone has an 80 percent operating working interest in the Cascadura field, which is located on the Ortoire block onshore in the Republic of Trinidad and Tobago. Heritage Petroleum Company Limited holds the remaining 20 percent working interest. All Cascadura production figures disclosed herein are gross volumes.

Forward-looking Statements

The information provided in this news release contains certain 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 news release speak only as of the date hereof and are expressly qualified by this cautionary statement.

Specifically, this news release includes, but is not limited to, forward-looking statements relating to: the Company's business plans, strategies, priorities, outlook and development plans; the focus of Touchstone's remaining 2024 capital plan, including anticipated remaining developmental drilling activities, locations, the timing thereof and related production and cash flows therefrom; anticipated 2024 annual average production and production by commodity; forecasted Cascadura-3ST1 online rates, forecasted production decline rates; anticipated 2024 capital expenditures including estimations of costs and inflation incorporated therein; anticipated timing of well tie-in operations, well completion activities and production coming online; forecasted 2024 average Brent reference price and the Company's budgeted realized price in relation thereto; forecasted royalty, operating, general and administration, cash finance, income tax expenses and transaction costs; anticipated funds flow from operations and net debt; and Touchstone's 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.

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 2023 Annual Information Form dated March 20, 2024 which is available under the Company's profile on SEDAR+ (www.sedarplus.ca) and on the Company's website (www.touchstoneexploration.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 or intent to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Touchstone's prospective results of operations and production included in its updated 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 in this news release was approved by Management as of the date of this news release 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 herein, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained 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. 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 all of 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 in this news release and such variations may be material.

Non-GAAP Financial Measures

This news release references 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 Canadian Generally Accepted Accounting Principles ("GAAP") and do not have a standardized meaning prescribed by IFRS Accounting Standards as Issued by the International Accounting Standards Board ("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. Below is a description of the non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures disclosed herein.

Operating netback

Touchstone 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 production 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.

Capital expenditures

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.

Working capital and net debt

Working capital and net debt are capital management measures used by Management to monitor the Company's capital structure to evaluate its true debt and liquidity position and to manage capital and liquidity risk. Working capital is calculated by subtracting current liabilities from current assets as they appear on the applicable consolidated balance sheet. 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.

Net debt to funds flow from operations ratio

The Company monitors its capital structure using a net debt to funds flow from operations ratio, which is a non-GAAP ratio and a capital management measure calculated as the ratio of the Company's net debt to trailing twelve months funds flow from operations for any given period.

Supplementary Financial Measures

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.

Realized crude oil sales per boe, realized NGL sales per boe and realized natural gas sales per boe - are comprised of sales from the respective product type as determined in accordance with IFRS, divided by the Company's total production volumes of the respective product type for the period. Crude oil sales, NGL sales and natural gas sales are components of petroleum and natural gas sales as disclosed on the consolidated statements of net earnings and comprehensive income.

Realized crude oil and liquids sales per boe - is comprised of the sum of crude oil and NGL product sales as determined in accordance with IFRS, divided by the sum of the Company's total crude oil and NGL production volumes for the period. Crude oil and NGL sales are components of petroleum and natural gas sales.

Royalties per boe, operating expenses per boe, general and administration expenses per boe and current income tax expense per boe - are comprised of the respective line item on the consolidated statements of net earnings and comprehensive income 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.

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 bank debt and accretion on decommissioning obligations, both of which are non-cash in nature.

For further information, please refer to the "Advisories - Non-GAAP Financial Measures" section of the Company's most recent Management's discussion and analysis for the three and nine months ended September 30, 2024 accompanying our September 30, 2024 unaudited interim condensed consolidated financial statements, both of which are available on our website (www.touchstoneexploration.com) and under our SEDAR+ profile (www.sedarplus.ca). Our Management's discussion and analysis includes further discussion of the purpose and composition of the specified non-GAAP financial measures consistently used by the Company and detailed reconciliations to the most directly comparable GAAP measures.

Assumptions for Updated 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 our updated 2024 average production guidance of 5,900 boe/d.

Production estimates contained herein are expressed as anticipated average production over the calendar 2024 year. All production volumes disclosed herein 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 the year-to-date 2024 period and considered the estimated impact on production of the Company's new Cascadura wells that commenced production testing operations on November 2, 2024.

Touchstone expects that approximately 21 percent of its midpoint average production guidance will be comprised of crude oil, 3 percent NGLs, and 76 percent conventional natural gas. See the "Advisories - Product Type Disclosures" section herein for further information.

| Annual Financial Guidance ⁽¹⁾⁽²⁾ | Units | 2024 Guidance (December 19, 2023) | 2024 Updated Guidance (August 13, 2024) | 2024 Updated Guidance (November 12, 2024) |
|--|--------|--------------------------------------|--|--|
| Realized commodity price ⁽³⁾ | | | | |
| | \$/boe | 23.10 | 24.50 | 27.40 |
| Expenses | | | | |
| Royalties as a % of petroleum and natural gas sales ⁽³⁾ | % | 19.5 | 21.5 | 23.9 |
| Operating expenses ⁽³⁾ | \$/boe | 3.50 | 3.80 | 4.70 |
| General and administration expenses ⁽³⁾ | \$/boe | 3.10 | 3.40 | 4.80 |

| | | | |
|---|---------|------|-------|
| Cash finance expenses ⁽³⁾ | | | |
| | \$/boe | 1.00 | 1.00 |
| Current income tax expenses ⁽³⁾ | \$/boe | 1.80 | 1.20 |
| Transaction costs | \$000's | - | 1,500 |
| | | | 2,000 |

Notes:

1. Forward-looking statement representing Management estimates. Refer to "Advisories - Forward-looking Statements" for further information.
2. The financial performance measures provided in the Company's 2024 guidance are based on the midpoint of the average production forecast, being 5,900 boe/d (formerly 9,400 boe/d and 8,000 boe/d).
3. Non-GAAP financial measure. Refer to "Advisories - Non-GAAP Financial Measures" for further information.

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. The actual results of the Company's operations and the resulting financial results will vary from the amounts set forth in this news release and such variations may be material.

Using the midpoint of the Company's updated production guidance and holding all other assumptions constant, a \$5/bbl increase (decrease) in the forecasted average Brent crude oil price for the fourth quarter of 2024 would increase funds flow from operations by approximately \$330,000 (decrease by \$330,000). 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.

Oil and Natural Gas Measures

Where applicable, natural gas has been converted to barrels of oil equivalent (boe) based on six thousand cubic feet (Mcf) to one barrel (bbl) of oil. The barrel of oil equivalent rate is based on an energy equivalent conversion method primarily applicable at the burner tip and given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value. This conversion factor is an industry accepted norm and is not based on either energy content or prices.

Product Type Disclosures

This news release includes references to crude oil, NGLs, crude oil and liquids, natural gas, and average daily production volumes. Under National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), disclosure of production volumes should include segmentation by product type as defined in the instrument. In this news release, 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. In addition, references to "crude oil and liquids" herein include crude oil and NGLs.

The Company's average production for October 2024 consist of the following product types as defined in NI 51-101 using a conversion of 6 Mcf to 1 boe where applicable.

| Period | Light and Medium Crude Oil (bbls/d) | Heavy Crude Oil | | Natural Gas Liquids (bbls/d) | Conventional Natural Gas (bbls/d) |
|--------------|-------------------------------------|-----------------|----|------------------------------|-----------------------------------|
| | | (bbls/d) | | | |
| October 2024 | 1,198 | 44 | 25 | | 16,353 |

For further information regarding specific product disclosures in accordance with NI 51-101, please refer to the "Advisories - Product Type Disclosures" section in the Company's most recent Management's discussion and analysis for the three and nine months ended September 30, 2024 accompanying our September 30, 2024 unaudited interim condensed consolidated financial statements, both of which are available on our website (www.touchstoneexploration.com) and under our SEDAR+ profile (www.sedarplus.ca).

Abbreviations

The following abbreviations are referenced in this news release:

| | |
|---------|-----------------------------------|
| bbls(s) | barrel(s) |
| bbls/d | barrels per day |
| boe | barrels of oil equivalent |
| boe/d | barrels of oil equivalent per day |
| Mcf | thousand cubic feet |
| Mcf/d | thousand cubic feet per day |
| MMcf | million cubic feet |
| MMcf/d | million cubic feet per day |
| NGL(s) | natural gas liquid(s) |

SOURCE: Touchstone Exploration, Inc.

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