

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (596/2014/EU) ("MAR") AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, SUCH INFORMATION WILL NO LONGER CONSTITUTE INSIDE INFORMATION.

PRIVATE PLACEMENT UPDATE

CALGARY, ALBERTA (June 30, 2025) - Touchstone Exploration Inc. ("Touchstone" or the "Company") (TSX, LSE: TXP) provides an update regarding its previously announced private placement arranged by Portillion Capital Asset Management Limited ("Portillion") and Oak Securities (the "Placement").

As disclosed in the Company's announcement on June 23, 2025, and notwithstanding repeated assurances from Portillion and Oak Securities, £10,324,500 of the £15,375,000 gross proceeds from the Placement have not been received. This includes £10,000,000 relating to Portillion's subscription commitment.

As previously announced on May 16, 2025, the Company issued 75,000,000 new common shares to the settlement agent acting on behalf of OAK Securities for distribution to placees under the Placement. The extended deadline to complete the Placement under the conditional approval granted by the Toronto Stock Exchange (the "TSX") expired on June 27, 2025. Consequently, Touchstone closed on the £5,050,500 of gross proceeds received as of that date, completing the issuance of 24,636,586 common shares, subject to receipt by the TSX of customary post-closing materials which the Company expects to deliver today.

The remaining 50,363,414 new common shares, which remain with the settlement agent pending receipt of the outstanding funds, will be cancelled.

Following the cancellation, the Company's issued share capital and total voting rights will consist of 261,097,247 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 any change to their interest in, the Company.

The Company is reviewing its options in respect of Portillion's failure to fulfill its subscription commitment under the Placement. Touchstone remains focused on securing the funding necessary to continue its 2025 capital program, including meeting its obligations under the fourth amended and restated loan agreement with Republic Bank Limited (the "Loan Agreement").

While there can be no guarantee that the outstanding Placement proceeds will be received, the Company intends to submit a new application to the TSX for conditional approval of a further issuance of new common shares, enabling completion of Portillion's subscription should the funds be forthcoming.

Under the terms of the Loan Agreement, in addition to the amount that has settled to date pursuant to the Placement, Touchstone is required to raise not less than approximately US 18 million in equity proceeds on or before December 31, 2025, or such later date as may be agreed with the lender.". Following the completion of drilling the Cascadura-5 well, the Company will defer further activity under its 2025 capital program. Considering whether the outstanding Placement funds are ultimately received, Touchstone will evaluate financing options in the near term to satisfy the requirements of the Loan Agreement in relation to the raising of equity capital, and to be able to resume its 2025 capital program.

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:

Touchstone Exploration Inc.

Paul Baay, President and Chief Executive Officer

Scott Budau, Chief Financial Officer

Tel: +1 (403) 750-4405

Shore Capital (Nominated Advisor and Joint Broker)

Daniel Bush / Toby Gibbs / Tom Knibbs

Tel: +44 (0) 207 408 4090

Canaccord Genuity (Joint Broker)

Adam James / Charlie Hammond

Tel: +44 (0) 207 523 8000

FTI Consulting (Financial PR)

Nick Hennis / Ben Brewerton / Lucy Wigney

Tel: +44 (0) 203 727 1000

Advisory Regarding Forward-Looking Statements

The information provided in this announcement 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, intentions, forecasts, estimates, expectations and objectives 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", "believe", "estimate", "potential", "anticipate", "forecast", "pursue", "aim", "intends", 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 announcement speak only as of the date hereof and are expressly qualified by this cautionary statement.

Such statements include, but are not limited to, forward-looking statements relating to the final approval of the TSX for the common shares issued under the Placement as of June 27, 2025; the cancellation of the shares for which payment was not received; receipt by the Company of the outstanding Placement funds; the Company's application to the TSX for a new private placement of common shares; the Company's evaluation of other sources of financing; the Company's expectations with respect to drilling activity and other operations; and Touchstone's current and future financial position, including the Company's liquidity and the sufficiency of resources to fund future capital expenditures. 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 2024 Annual Information Form dated March 19, 2025 which is available online 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 announcement 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.

For the purposes of UK MAR and Article 2 of the binding technical standards published by the Financial Conduct Authority in relation to MAR as regards Commission Implementing Regulation (EU) 2016/1055, the person responsible for the release of this announcement is Paul Baay, President and Chief Executive Officer.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@lse.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDSDMSISEISELM