

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Touchstone Exploration Inc. (the "Company" or "Touchstone")
4100, 350 – 7th Avenue SW
Calgary, AB T2P 3N9

Item 2 Date of Material Change

December 8, 2017

Item 3 News Release

A news release describing the material change was disseminated via GlobeNewswire on December 8, 2017.

Item 4 Summary of Material Change

Touchstone announced that it is proposing to carry out a private placement of common shares of the Company directed towards institutional investors in the United Kingdom and expects to raise gross proceeds of approximately \$5.0 million through the issuance of 25,784,285 new common shares at a price of 11.5 pence sterling (approximately \$0.1954 as of November 27, 2017) per common share.

Item 5 Full Description of Material Change

The company is proposing to raise gross proceeds of approximately \$5.038 million through a private placement (the "Private Placement") of 25,784,285 new common shares of the Company (collectively, the "New Common Shares", and each a "New Common Share") at an issue price of 11.5 pence sterling (approximately \$0.1954 as of November 27, 2017) per New Common Share. The issue price of 11.5 pence sterling was negotiated at arm's length between the Company and its joint brokers, and represented a discount of approximately 17 percent to \$0.2362, which was the volume-weighted average price of the Company's common shares for the five trading days ending November 27, 2017.

Upon being admitted to trading on the Toronto Stock Exchange (the "TSX") and the AIM market of the London Stock Exchange (the "AIM"), the Company's issued share capital will consist of 128,921,428 common shares, with the New Common Shares representing approximately 20 percent thereof. The Company does not hold any common shares in treasury. The issuance of the New Common Shares is conditional on customary closing conditions, including the approval of the Private Placement by the TSX and the AIM.

The Company expects to use the gross proceeds from the Private Placement to finance the expansion of Touchstone's 2018 drilling program from four wells to ten wells.

Item 6 Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Mr. Paul Baay
President and Chief Executive Officer
Phone: (403) 750-4487

Item 9 Date of Report

December 21, 2017