

**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**

July 20, 2020

**Item 3 News Release**

A news release describing the material change was disseminated through the facilities of a recognized news service on July 20, 2020.

**Item 4 Summary of Material Change**

The Company announced highlights of an independent reserves evaluation of the Cascadura Assessment Area prepared by GLJ Ltd. ("GLJ") dated July 17, 2020 with an effective date of June 30, 2020 (the "Cascadura Reserves Report").

The Cascadura Assessment Area is located in the Company's Ortoire exploration block, onshore in the Republic of Trinidad and Tobago (Touchstone 80% working interest operator, Heritage Petroleum Company Limited 20% working interest). The Cascadura Assessment Area represents the geologically and geophysically defined reservoirs which were evaluated by the Company's Cascadura-1ST1 exploration well drilled in the fourth quarter of 2019. The Cascadura Assessment Area was not evaluated by GLJ as at December 31, 2019, as the production tests for the Cascadura-1ST1 exploration well were conducted and analyzed in the first half of 2020.

The Cascadura Reserves Report evaluated the Cascadura Assessment Area on a stand-alone basis and provided a reserves estimate of natural gas and natural gas liquids, as well as a before income tax estimate of net present values of future net revenues as of June 30, 2020. The Cascadura Reserves Report should be considered as supplementary to, and reconciled with, the volumes and future net revenues disclosed in the Company's 2019 Annual Information Form dated March 25, 2020.

**Item 5 Full Description of Material Change**

Touchstone's petroleum reserves for the Cascadura Assessment Area were evaluated by independent qualified reserves evaluator, 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*. The reserve estimates noted below were based upon GLJ's Cascadura Reserves Report dated July 17, 2020 with an effective date of June 30, 2020. All values were based on GLJ's July 1, 2020 forecast prices and estimates of future operating and capital development costs as at June 30, 2020.

- The Cascadura Reserves Report estimated Company working interest proved ("1P") reserves of 23,622 thousand barrels of oil equivalent ("Mboe"), proved plus probable ("2P")

reserves of 45,030 Mboe and proved plus probable plus possible ("3P") reserves of 73,190 Mboe.

- The Cascadura Reserves Report estimated before tax 10% discounted net present value of future net revenues of \$287.7 million for 1P reserves, \$519.2 million for 2P reserves, and \$802.9 million for 3P reserves.
- Net future development costs associated with the development of the Cascadura Assessment Area included in the Cascadura Reserves Report was estimated at \$11.6 million for 1P reserves and \$15.8 million each for 2P and 3P reserve forecasts.

Company gross working interest 1P reserves included in the Cascadura Reserves Report represented 200% of Company 1P reserves previously evaluated by GLJ effective December 31, 2019. Company gross working interest 2P and 3P reserves evaluated in the Cascadura Reserves Report represented 204% and 246% of 2P and 3P reserves previously reported by the Company and evaluated by GLJ effective December 31, 2019, respectively.

GLJ did not re-evaluate the Company's producing crude oil reserves previously reported and included in the Company's reserve report effective December 31, 2019. It is expected that the reserves included in the Cascadura Assessment Area will be re-evaluated effective December 31, 2020 and included in the Company's total reserves report effective December 31, 2020.

**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 R. Baay  
President and Chief Executive Officer  
Phone: (403) 750-4487

**Item 9 Date of Report**

July 30, 2020

**Advisories**

Please refer to Touchstone's news release issued and dated July 20, 2020 for applicable oil and gas reserves advisories and definitions, as well as forward-looking information advisories.