

Touchstone Exploration Inc

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Touchstone Exploration spuds hotly anticipated Chinook-1 well

Touchstone Exploration Inc (LON:TXP) revealed it has spudded the hotly anticipated Chinook-1 well, its latest exploration test within the Ortoire block, Trinidad as it posted as second-quarter operational update and financial results.

The Chinook-1 well is targeting hydrocarbon prospects in the Herrera formation, the same horizon found in the successful Coho and Cascadura discoveries.

READ: Reserves report confirms Cascadura as a significant discovery

It will be drilled to depth of 9,880 feet and the drill programme is expected to take 40 days.

"The spudding of the Chinook well marks the next phase of our Ortoire block exploration program that has already delivered two successful natural gas wells in just over a year," Paul Baay, Touchstone chief executive said in a statement.

"The Chinook well is being drilled in proximity to the original 1959 well and will further evaluate the turbidite concept eastward from the original Coho discovery. With the assistance of a 3D seismic survey, we are now expecting to move up structure to target the Herrera sands.

"In addition to the initial work undertaken at Chinook, we have made progress across the Ortoire block, commissioning the previously announced Cascadura area independent reserves evaluation as well as commencing the Coho-1 tie-in project," he added.

Elsewhere in the Ortoire block, the company is progressing with the tie-in of the Coho-1 gas well, with facilities construction and pipeline preparation underway.

Touchstone, meanwhile, released second-quarter results confirming average daily crude oil production of 1,396 barrels per day, compared to 1,589 barrels per day in the preceding quarter and 1,768 barrels in the second quarter of 2019.

The company noted that it saw an operating netback of \$10.73 per barrel despite realized price reductions.

It said that meaningful cost reductions were achieved, with operating costs down 28%.

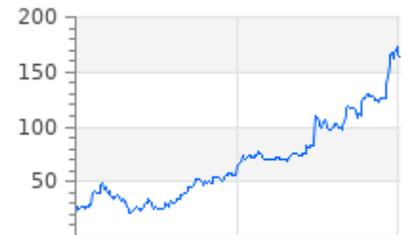
Financially, the company reported a US\$2.74mln net loss, narrowed from the US\$9.24mln it lost in the preceding quarter.

Touchstone highlighted that it had enhanced its financial flexibility and reduced its overall cost of borrowing, by refinancing long-term debt, withdrawing US\$15mln of a new US\$20mln facility to repay a prior C\$20mln Canadian loan.

Price: 168

Market Cap: £350.62 m

1 Year Share Price Graph



January 2020 July 2020 January 2021

Share Information

Code: TXP

Listing: AIM

52 week	High	Low
	175.5	20.5

Sector: Oil & Gas

Website: www.touchstoneexploration.com

Company Synopsis:

Touchstone Exploration Inc. is a Canadian-based, international upstream oil and gas company currently active in the Republic of Trinidad and Tobago. It is one of the largest independent onshore oil producers in Trinidad, with an experienced management and executive team that have a track record of delivering value to shareholders.

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It exited the quarter with some US\$6.89mln of cash, and had US\$8.46mln of net debt.

Some US\$2.8mln was received in bonds from the Trinidad government for past due value-added tax balances, and these bonds were sold to a financial institution subsequent to the quarter's end.

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