Form **8937** (December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name Kelt Exploration Ltd.			2 Issuer's employer identification number (EIN) None
3 Name of contact for additional information Ashley D. Hohm	4 Telephone No. of contact 403-218-6166		5 Email address of contact ahohm@keltexploration.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Suite 300, 311 6th Avenue SW			7 City, town, or post office, state, and Zip code of contact Calgary, Alberta T2P 3H2
8 Date of action April 16, 2015	9 Classification and description Common Shares		
10 CUSIP number 488295106	11 Serial number(s) N/A	12 Ticker symbol KEL	13 Account number(s) N/A

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On April 16, 2015, Kelt Exploration Ltd. ("Kelt") acquired all of the issued and outstanding common shares of Artek Exploration Ltd. ("Artek") pursuant to a Plan of Arrangement (the "Acquisition"). Specifically, Artek shareholders received 0.34 Kelt common shares for every 1 Artek common share exchanged in the Acquisition. The Acquisition was structured as a share-for-share exchange with Artek shareholders directly exchanging their common shares for common shares in Kelt, with Artek becoming a wholly-owned subsidiary of Kelt.

The Acquisition is described in the Information Circular and Proxy Statement of Artek dated March 19, 2015 ("Proxy"), which is available at www.sedar.com.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Kelt believes that the Acquisition should qualify as a tax-deferred reorganization within the meaning of Code Section 368(a). As a result, each Artek shareholder should generally have a tax basis in the Kelt common shares received in the Acquisition equal to such shareholder's aggregate tax basis in the Artek common shares surrendered.

Certain Artek shareholders that fail to file a timely gain recognition agreement with the IRS may recognize a gain under Code Section 367. Shareholders that recognize a gain should have a tax basis in the Kelt shares received equal to their fair market value at the time of the Acquisition.

Even if the Acquisition qualifies as an exchange under Code Section 368, certain special rules would apply if Artek was a passive foreign investment company, as defined under Code Section 1297 (a "PFIC"), for any tax year during which a shareholder held Artek shares. Shareholders should review the Proxy and consult with their own tax advisors regarding the U.S. federal income tax consequences of the Acquisition.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ In the event that the Acquisition is taxable, for purposes of calculating fair market value, the fair market value of a Kelt common share on April 16, 2015 is estimated at CDN $9.02, which was the closing price for Kelt common shares on the TSE on April 16, 2015. The noon exchange rate on April 16, 2015 was 1 Canadian dollar to 0.8193 U.S. dollars, as reported by the Bank of Canada. Therefore, the U.S. dollar fair market value of each Kelt common share on April 16, 2015 is estimated at U.S. $7.39.

Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **Kelt believes that the Acquisition should qualify as a reorganization within the meaning of Code Section 368(a). Consequently, the U.S. federal income tax consequences of the Acquisition to Artek shareholders should be determined under Code Sections 354, 358, 367, 1001, and 1221.**

In addition, if Artek was classified as a PFIC, then Code Sections 1291 - 1298 would be applicable. Shareholders should consult their own tax advisors regarding the application of the PFIC rules.

18 Can any resulting loss be recognized? ▶ **If the Acquisition qualified as a reorganization within the meaning of Code Section 368(a), then in general, each Artek shareholder who received Kelt common shares in the Acquisition should not recognize any loss.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **In general, any gain recognized should be reported by shareholders for the tax year which includes April 16, 2015 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2015 calendar year).**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶

Print your name ▶ Title ▶

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
John Hollinrake	John D Hollinrake	19 May 2015		PO1568530
Firm's name ▶ **Dorsey & Whitney LLP**			Firm's EIN ▶	**41-0223337**
Firm's address ▶ **Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104**			Phone no.	**(206) 903-8812**

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054