PRESS RELEASE: For immediate dissemination

KELT ENTERS INTO AN AGREEMENT TO ACQUIRE STRATEGIC ASSETS AND ANNOUNCES $101 MILLION EQUITY FINANCING

CALGARY, Alberta, November 6, 2013 ("KEL" - TSX) – Kelt Exploration Ltd. ("Kelt" or the "Company") has entered into an agreement with a Canadian oil and gas company to acquire certain crude oil and natural gas assets located at Pouce Coupe/Spirit River, in close proximity to the Company's core producing areas at Grande Cache and Karr in west central Alberta. The acquisition has an effective date of October 1, 2013 and is subject to standard industry closing conditions. Closing is expected to occur on or around December 20, 2013.

The consideration to be paid by Kelt is $192.0 million, before closing adjustments, and will be financed by existing cash on hand and proceeds from an equity financing (described in more detail below). The Company has received a commitment letter from its bank, National Bank of Canada, whereby Kelt's available bank credit line will be increased to $100.0 million, upon satisfactory closing of the Pouce Coupe/Spirit River asset acquisition.

Key Attributes of Assets to be Acquired

■ Current net production is estimated to be approximately 4,800 BOE per day – 40% oil and 60% gas (approximately 8% of current production is subject to rights of first refusal).

■ At current index pricing for crude oil of WTI US$95.00 per barrel and for natural gas at AECO $3.25 per GJ, operating netbacks are approximately $23.00 per BOE, providing approximately $40.0 million of annual operating income at current production levels.

■ Petroleum and natural gas reserves to be acquired have been evaluated internally by Kelt effective October 1, 2013:

→ Proved developed producing reserves were 10.1 million BOE, with no associated future development costs;

→ Total proved reserves were 13.8 million BOE, with $49.2 million in associated future development capital;

→ Total proved plus probable reserves were 23.0 million BOE, with $134.9 million in associated future development capital.

■ Long-life reserves with a proved plus probable reserve life index of 13.1 years based on current production.

■ Major infrastructure component with interests in major oil and gas facilities including the following:

→ A 20.2% ownership interest in a 140 MMCF per day gas processing plant.

→ Varying ownership interests in gas compressors and oil batteries.

→ Varying ownership interests in an extensive network of oil and gas gathering pipelines that will be accessible for transportation of oil and gas resulting from future drilling.

■ Current net production includes approximately 750 BOE per day from Unit interests of which approximately 55% is operated.

■ The Pouce Coupe/Spirit River assets include an extensive land position that is a complementary fit geographically to Kelt's existing core areas at Karr and Grande Cache and are located 20 and 40 miles north of Karr and Grande Cache respectively. The acquisition includes 256,345 gross acres (400 gross sections) and 103,303 net acres (161 net sections) of land.

■ The acquisition includes an established field office located in the town of Grande Prairie, Alberta which is expected to become Kelt's main field operating base for all of the Company's operated operations in the newly acquired Pouce Coupe/Spirit River area and in the Company's existing areas at Karr and Grande Cache.

Acquisition Metrics

■ Based on current production and not adjusting for land and infrastructure value, production is being acquired for $40,000 per flowing BOE.

■ Based on proved plus probable reserves and after taking into account future development capital costs, reserves are being acquired for $14.21 per BOE, giving the Company an acquisition recycle ratio of 1.6 times at current commodity prices.

Future Upside Potential

The Company has identified 136 gross (112 net) horizontal drilling locations primarily targeting the Montney, Doig and Charlie Lake formations. This would entail in excess of $860.0 million gross ($725.0 million net) in future capital spending, providing the Company with a significant drilling inventory and opportunity for future growth in the years ahead.

The Montney and Doig drilling inventory is located at Pouce Coupe primarily on 100% working interest lands. Both Montney and Doig development will target natural gas and associated liquids of approximately 15 to 20 barrels per million cubic feet of raw natural gas under shallow cut gas plant recoveries, resulting in high heat content sales gas which receives a premium of approximately 6% over AECO prices.

The Charlie Lake drilling inventory is located at Spirit River on 81% average working interest lands. Charlie Lake development will target crude oil and associated solution gas. Light oil from the Charlie Lake formation is approximately 40° API which receives premium pricing. Other plays of interest include potential crude oil development from the Boundary Lake and Halfway formations on lands with average working interests of approximately 70%.

Equity Financing

In connection with the Pouce Coupe/Spirit River acquisition, Kelt is pleased to announce a brokered and non-brokered equity financing for gross aggregate proceeds of $101.1 million.

Brokered Private Placement

Kelt has entered into an agreement with a syndicate of underwriters led by Peters & Co. Limited, and including CIBC World Markets Inc., FirstEnergy Capital Corp., RBC Capital Markets, National Bank Financial Inc., Scotia Capital Inc., AltaCorp Capital Inc., Cormark Securities Inc., GMP Securities Inc., Dundee Capital Markets and Macquarie Capital Markets Canada Ltd. (collectively the "Underwriters"), pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal private placement basis, 10.0 million subscription receipts of Kelt at a price of $8.15 per subscription receipt, resulting in gross proceeds of $81.5 million. The gross proceeds from the sale of subscription receipts will be held in escrow pending the completion of the Pouce Coupe/Spirit River acquisition. If all outstanding conditions to the completion of the Pouce Coupe/Spirit River acquisition (other than payment of the purchase price) are met, the net proceeds from the sale of the subscription receipts will be released to Kelt to finance, in part, the purchase price, and each subscription receipt will be exchanged for one Kelt common share for no additional consideration. The financing is expected to close on or around December 3, 2013.

Non-brokered Private Placement

In conjunction with the aforementioned brokered private placement, Kelt has agreed to issue to certain directors, officers and employees of the Company, on a non-brokered basis, an additional 2.4 million subscription receipts at a price of $8.15 per subscription receipt, resulting in additional gross proceeds of $19.6 million. If all outstanding conditions to the completion of the Pouce Coupe/Spirit River acquisition (other than payment of the purchase price) are met, the net proceeds from the sale of the subscription receipts will be released to Kelt to finance, in part, the purchase price, and each subscription receipt will be exchanged for one Kelt common share for no additional consideration. The non-brokered private placement will close concurrently with the closing of the brokered private placement on or around December 3, 2013.

Private Placements

Net proceeds from these private placement equity offerings (collectively, the "Private Placements") will be used to finance, in part, the Pouce Coupe/Spirit River acquisition. This transaction is subject to certain conditions including normal regulatory approvals and specifically, the approval of the Toronto Stock Exchange. The subscription receipts will be offered in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec by way of private placement. The Kelt common shares issued in connection with the Private Placements are subject to a statutory hold period of four months plus one day from the date of completion of the Private Placements, in accordance with applicable securities legislation.

This press release does not constitute an offer to sell or a solicitation of any offer to buy the common shares in the United States. The common shares have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.

Revised 2013 Guidance

After giving effect to the Pouce Coupe/Spirit River acquisition and the Private Placements, Kelt has revised its 2013 guidance as follows:

	Previous Guidance	**Revised Guidance**	**Percent Change**
Average 2013 Production (BOE/d)	3,500	3,610	3%
Exit 2013 Production (BOE/d)	4,900	9,600	96%
Exit 2013 Oil / Gas Weighting	24% / 76%	32% / 68%	
WTI oil price (US$/bbl)	98.00	98.00	0%
NYMEX natural gas price (US$/MMBTU)	3.75	3.75	0%
AECO natural gas price ($/GJ)	2.95	2.95	0%
Exchange rate (US$/CA$)	0.9804	0.9804	-
Funds from operations ($MM)	20.0	20.9	5%
Per share, diluted	0.26	0.27	4%
Capital expenditures, including acquisitions ($MM)	147.0	329.7	124%
Debt (cash), net of working capital at year-end	(84.3)	0.2	-

The impact on average 2013 production relating to the acquisition is reflected from the anticipated closing date of December 20, 2013. Full year benefits of the acquired production will be recognized in 2014 and is reflected in the exit 2013 production rate shown in the above table.

The Company expects to release its 2014 Guidance with respect to forecasted capital expenditures, forecasted production and forecasted funds from operations on or around November 18, 2013.

Financial Position

After giving effect to the acquisition and after giving effect to the Private Placements, Kelt estimates that it will have bank debt, net of working capital, of approximately $200,000 at the end of 2013. Given its new bank line of $100.0 million, the Company expects to have sufficient financial flexibility to carry out its operations during 2014.

About Kelt

Kelt is a Calgary, Alberta, Canada-based oil and gas company focused on exploration, development and production of crude oil and natural gas resources, primarily in west central Alberta and northeastern British Columbia.

Cautionary Statement and Advisory Regarding Forward-Looking Statements and Information

Certain information with respect to the Company contained herein, including expectations, beliefs, plans, goals, objectives, assumptions, information and statements about future events, conditions, results of operations, performance, Kelt's planned capital expenditure program, or management's assessment of future potential, contain forward-looking statements. In particular, forward-looking statements contained in this press release include, but are not limited to: the expected closing of the Private Placements, the expected closing of the Pouce Coupe/Spirit River acquisition, the resultant operational synergies, the increase to Kelt's bank credit line, the impact on production and the quantification of potential future drilling locations. These forward-looking statements are based on assumptions and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve estimates, environmental risks, competition from other explorers, stock market volatility, and ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

Statements relating to "reserves" are deemed to be forward looking statements as they involve the implied assessment, based on current estimates and assumptions that the reserves can be profitably produced in the future.

Kelt's actual results, performance or achievement could differ materially from those expressed or implied by these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur. As a result, undue reliance should not be placed on forward-looking statements.

In addition, the reader is cautioned that historical results are not necessarily indicative of future performance. The forward-looking statements contained herein are made as of the date hereof and the Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless expressly required by applicable securities laws.

Certain information set out herein may be considered as “financial outlook” within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Kelt’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

Non-GAAP Measures

This press release contains certain financial measures, as described below, which do not have standardized meanings prescribed by GAAP. As these measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to readers. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used. “Operating netback” is calculated by deducting royalties, production expenses and transportation expenses from oil and gas revenue. “Funds from operations” is calculated by adding back settlement of decommissioning obligations and change in non-cash operating working capital to cash provided by operating activities. Funds from operations per common share is calculated on a consistent basis with profit (loss) per common share, using basic and diluted weighted average common shares as determined in accordance with GAAP. Funds from operations and operating netbacks are used by Kelt as key measures of performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, profit or other measures of financial performance calculated in accordance with GAAP.

Measurements and Abbreviations

All dollar amounts are referenced in thousands of Canadian dollars, except when noted otherwise. Where amounts are expressed on a barrel of oil equivalent (“BOE”) basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel and sulphur volumes have been converted to oil equivalence at 0.6 long tons per barrel. The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. References to oil in this press release include crude oil and field condensate. References to natural gas liquids (“NGLs”) include pentane, butane, propane, and ethane. References to gas in this press release include natural gas and sulphur.

bbls	Barrels
mcf	thousand cubic feet
MMBTU	million British Thermal Units
AECO-C	Alberta Energy Company “C” Meter Station of the Nova Pipeline System

WTI	West Texas Intermediate
NYMEX	New York Mercantile Exchange

Additional Information

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