



**PRESS RELEASE:** For immediate dissemination

## **KELT REPORTS ON NOTICE OF TRANSPORTATION DISRUPTIONS AT GRANDE CACHE**

**CALGARY, Alberta, March 25, 2014 ("KEL" - TSX)** – Kelt Exploration Ltd. ("Kelt" or the "Company") produces natural gas that is delivered to the Copton Creek and Cutbank River receipt points which it has been advised will be affected by the National Energy Board ("NEB")'s order SG-N081-001-2014 issued on March 4, 2014 (the "Order") to Nova Gas Transmission Ltd. ("NGTL"), a wholly owned subsidiary of TransCanada PipeLines Limited ("TCPL").

Kelt production delivered to the Copton Creek and Cutbank River receipt points are part of the Company's core producing area located at Grande Cache, Alberta, and represents approximately 8.7 MMcf (1,450 BOE) per day of production.

On March 24, 2014, TCPL notified Kelt that NGTL issued an NrG bulletin (the "Bulletin") advising NGTL System customers of the issuance by NEB of the Order. The Bulletin states that pursuant to the Order, NGTL is required to implement pressure reductions on a limited number of pipeline sections within 30 days of the date of the Order resulting in restrictions of transportation service at certain receipt points. NGTL has advised that it has completed an assessment of the expected impacts of the Order on NGTL's ability to provide service on the affected pipeline sections. Based on historic usage of NGTL services, NGTL has advised that the pressure reductions are expected to affect service at 26 receipt points and seven delivery points identified by NGTL, including the Copton Creek and Cutbank River receipt points. Based on historical receipts on the affected pipeline sections, NGTL has advised that the aggregate NGTL System receipt volume impact, industry wide, could be 400 to 500 MMcf per day. NGTL has advised that it is working diligently to expedite remedial work on the affected pipeline sections and restore full service as soon as possible.

At this time, Kelt is unaware of the timing or length of the disruption to its production. For each week that Kelt's production could potentially be shut-in, average production for 2014 would be negatively affected by approximately 28 BOE per day or approximately 0.25% of the Company's 2014 forecasted average production of 11,000 BOE per day. Future drilling and completion operations budgeted in 2014 resulting in estimated future production additions are not expected to be affected as a result of the Order.

Drilling and completion operations at two of Kelt's other core areas, which are not affected by the Order, Pouce Coupe and Karr, are currently underway and given the cold weather conditions being experienced in parts of Alberta, Kelt expects spring break-up in its areas of operations to be later than normal. As a result, the Company anticipates that it will bring production on-stream at Pouce Coupe and Karr earlier than previously forecasted. This could mitigate the effect of possible disruptions at Grande Cache mentioned above. Therefore, the Company is maintaining its previously reported guidance of 11,000 BOE per day average for 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**

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking information or statements. In particular, this press release contains forward-looking statements concerning the ongoing operations of Kelt, possible disruptions of production to the NGTL System customers and expected average production in 2014.

Although Kelt believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Kelt cannot give any assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals for planned operations and risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures).

The forward-looking statements contained in this press release are made as of the date hereof and Kelt does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Please refer to Kelt’s Annual Information Form dated March 28, 2013 for additional risk factors relating to Kelt which is available for viewing on [www.sedar.com](http://www.sedar.com).

## **Measurements and Abbreviations**

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 discussion include crude oil and field condensate. References to natural gas liquids (“NGLs”) include, pentane, butane, propane, and ethane. References to gas in this discussion include natural gas and sulphur. Million cubic feet has been abbreviated as “MMcf”.

## **Additional Information**

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