PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
November 13, 2014
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the three and nine months ended September 30, 2014. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2014**	2013	%	**2014**	2013	%
Revenue, before royalties and financial instruments	**61,136**	12,388	394%	**160,295**	28,113	470%
Funds from operations(1)	**31,799**	5,473	481%	**85,839**	14,260	502%
Basic ($/ common share)(1)	**0.25**	0.06	317%	**0.71**	0.22	223%
Diluted ($/ common share)(1)	**0.25**	0.06	317%	**0.70**	0.21	233%
Profit (loss) and comprehensive income (loss)	**1,185**	(2,400)	-	**9,372**	(3,277)	-
Basic ($/ common share)	**0.01**	(0.03)	-	**0.08**	(0.05)	-
Diluted ($/ common share)	**0.01**	(0.03)	-	**0.08**	(0.05)	-
Total capital expenditures, net of dispositions	**246,942**	42,228	485%	**324,434**	97,814	232%
Total assets	**820,241**	333,832	146%	**820,241**	333,832	146%
Bank debt	**-**	-	-	**-**	-	-
Working capital deficiency (surplus)	**37,219**	(123,774)	-	**37,219**	(123,774)	-
Shareholders' equity	**614,384**	294,820	108%	**614,384**	294,820	108%
Weighted average shares outstanding (000's)						
Basic	**126,681**	89,262	42%	**120,100**	66,234	81%
Diluted	**129,033**	89,829	44%	**122,373**	66,560	84%

(1) Refer to advisory regarding non-GAAP measures.

FINANCIAL STATEMENTS

Kelt's unaudited condensed interim financial statements and related notes for the quarter ended September 30, 2014 will be available to the public on SEDAR at www.sedar.com and will also be posted on the Company's website at www.keltexploration.com on November 13, 2014.

Kelt's operating results for the three and nine months ended September 30, 2014 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2014**	2013	%	**2014**	2013	%
Average daily production						
Oil (bbls/d)	**3,913**	566	591%	**2,982**	417	615%
NGLs (bbls/d)	**1,173**	356	229%	**886**	233	280%
Gas (mcf/d)	**52,713**	22,285	137%	**47,662**	16,269	193%
Combined (BOE/d)	**13,872**	4,636	199%	**11,812**	3,361	251%
Production per million common shares (BOE/d)(1)	**110**	52	112%	**98**	51	92%
Average realized prices, after financial instruments						
Oil ($/bbl)	**89.82**	88.30	2%	**91.58**	90.33	1%
NGLs ($/bbl)	**62.62**	51.50	22%	**64.56**	49.77	30%
Gas ($/mcf)	**4.43**	2.79	59%	**5.14**	3.26	58%
Operating netbacks(1) ($/BOE)						
Oil and gas revenue	**47.91**	29.05	65%	**49.71**	30.63	62%
Cash premium on financial instruments	**-**	0.54	-100%	**-**	0.25	-100%
Realized loss on financial instruments	**(0.42)**	(1.42)	-70%	**(0.99)**	(0.41)	141%
Average realized price, after financial instruments	**47.49**	28.17	69%	**48.72**	30.47	60%
Royalties	**(7.24)**	(5.56)	30%	**(6.80)**	(4.18)	63%
Production and transportation expense	**(14.44)**	(9.67)	49%	**(14.52)**	(10.30)	41%
Operating netback(1)	**25.81**	12.94	99%	**27.40**	15.99	71%
Undeveloped land						
Gross acres	**416,412**	196,999	111%	**416,412**	196,999	111%
Net acres	**274,188**	124,376	120%	**274,188**	124,376	120%

(1) Refer to advisory regarding non-GAAP measures.

MESSAGE TO SHAREHOLDERS

The Company is pleased to report its third quarter interim results to shareholders for the three months ended September 30, 2014.

Kelt achieved record production levels in the third quarter of 2014. Average production for the three months ended September 30, 2014 was 13,872 BOE per day, up 199% from average production of 4,636 BOE per day during the third quarter of 2013. On a production per share basis, the third quarter of 2014 was up 112% compared to the third quarter of 2013. Daily average production in the third quarter of 2014 was 22% higher than the average production of 11,381 BOE per day in the second quarter of 2014.

For the three months ended September 30, 2014, revenue was $61.1 million, funds from operations was $31.8 million ($0.25 per share, diluted) and profit was $1.2 million ($0.01 per share, diluted). At September 30, 2014, bank debt, net of working capital was $37.2 million.

During the three months ended September 30, 2014, Kelt drilled 11 gross (9.3 net) oil and gas wells, with a 100% success rate.

The Company participated in the drilling of three (1.3 net) horizontal wells at Inga/Fireweed in British Columbia. Two (0.8 net) wells drilled at Inga were in the Doig formation and one (0.5 net) well drilled at Fireweed was in the Montney formation. Drilling results continue to meet expectations in the Doig wells with high free condensate rates. The Montney well at Fireweed resulted in equally significant production rates with initial 60 day average production of approximately 704 BOE (352 BOE net) per day, of which 411 barrels

(205 barrels net) per day or 58% was free condensate. Kelt's production at Inga/Fireweed averaged approximately 2,317 BOE per day during the third quarter of 2014.

Kelt drilled two (2.0 net) horizontal wells at Karr, Alberta targeting the Upper Montney formation. Both these wells are in close proximity to the Company's existing producing wells and are expected to be completed in late December/early January. During the second quarter of 2014, Kelt drilled its first horizontal well (75% WI) in the Middle Montney. This well has now been completed and has just been put on production test. Kelt's production at Karr averaged approximately 1,318 BOE per day during the third quarter of 2014 including approximately 14 days of outage due to gas plant downtime.

In the Company's Grande Prairie core area, Kelt drilled three (3.0 net) horizontal wells at Pouce Coupe. One well was drilled in the Upper Montney formation and was successfully completed as a gas well. The other two wells were drilled in the Lower Montney formation targeting oil and are expected to be completed in the fourth quarter. At Valhalla/La Glace, Kelt drilled three (3.0 net) horizontal wells in the Montney oil formation. These wells have now been completed and are expected to be on-stream in the fourth quarter of 2014. One of these wells was drilled as a farm-in option that earned the Company additional Montney rights in 12,160 acres (19 sections) of land. Kelt's production at Grande Prairie averaged approximately 7,498 BOE per day during the third quarter of 2014.

Kelt's previously disclosed capital expenditure budget of $428.0 million for 2014 remains unchanged. This budget includes the $160.0 million for acquisitions, net of dispositions. Net capital expenditures incurred during the first nine months of the year was $324.4 million. As a result, the Company expects to have a very busy fourth quarter in 2014, whereby $103.6 million in exploration and development capital expenditures are forecasted. Kelt plans to drill 15 gross (10.5 net) horizontal wells in the fourth quarter of 2014. Two of these wells are exploratory in the Company's Grande Cache area, targeting an oil prospect and a liquids-rich gas prospect.

Kelt expects production in 2014 to average approximately 12,600 BOE per day, up from the Company's previous guidance of 12,250 BOE per day. The Company has increased its production forecast and now expects to exit 2014 with approximately 15,800 BOE per day (previous forecast was 15,300 BOE per day) of production.

During recent weeks, crude oil prices have dropped significantly leading to a selloff in publicly traded energy stocks. Kelt has built in lower forecasted commodity prices into its budget to reflect current market conditions. The Company is well positioned financially and expects that it will have sufficient financial flexibility to carry out its operations during the remainder of the year and pursue new opportunities as they arise. Management is excited about the Company's prospects and looks forward to updating shareholders with 2015 guidance on or about November 17, 2014.

2014 GUIDANCE

Kelt continues to remain optimistic about its future prospects. The Company is opportunity driven and is confident that it can grow its production base by building on its current inventory of development projects and by adding new exploration prospects. Kelt endeavours to maintain a high quality product stream that on a historical basis receives a superior price. In addition, the Company focuses its exploration efforts in areas of multi-zone/stacked hydrocarbon potential, primarily in west central Alberta.

Kelt's previously disclosed capital expenditure budget of $428.0 million remains unchanged. The Company expects to spend $215.5 million on drilling and completing wells, $33.5 million on facilities, equipment and pipelines, and $19.0 million on land and seismic. Acquisitions, net of proceeds from dispositions are expected to be $160.0 million.

Kelt expects production in 2014 to average approximately 12,600 BOE per day (previous forecast was 12,250 BOE per day). Average production for 2014 is expected to be weighted 27% oil, 8% NGLs, and 65% gas; however, operating income in 2014 is expected to be derived 57% from oil production, 12% from NGLs production, and 31% from gas production.

The Company expects to exit 2014 with production of approximately 15,800 BOE per day with a higher weighting towards oil. Exit 2014 production is expected to be weighted 33% oil, 8% NGLs, and 59% gas.

The Company's average commodity price assumptions for 2014 are US$94.70 (previous forecast was US$96.00) per barrel for WTI oil, US$4.25 (previous forecast was US$4.40) per MMBTU for NYMEX natural gas, $4.25 (previous forecast was $4.35) per GJ for AECO natural gas and a US/Canadian dollar exchange rate of US$0.9080 (previous forecast was US$0.9259). Estimated average 2014 prices compare to average calendar 2013 prices of US$97.98 per barrel for WTI oil, US$3.68 per MMBTU for NYMEX natural gas, $2.97 per GJ for AECO natural gas and a US/Canadian dollar exchange rate of US$0.9710.

The Company expects funds from operations to be lower by 1.4% compared to previous guidance mainly due to lower commodity prices, despite an increase in average 2014 production guidance of 2.9%. Funds from operations for 2014 is forecasted to be approximately $115.9 million or $0.93 per common share, diluted (previous forecast was $117.5 million or $0.95 per common share, diluted). Kelt estimates that the Company's bank indebtedness, net of working capital, will be approximately $111.0 million at December 31, 2014. Kelt currently has a committed term credit facility with a syndicate of financial institutions. The lenders approved a borrowing base of $170.0 million and a commitment amount of $100.0 million. Kelt expects to increase the commitment amount available under its Credit Facility during the next scheduled review in November 2014.

Changes in forecasted commodity prices and variances in production estimates can have a significant impact on estimated funds from operations and profit. Please refer to the cautionary statement on forward-looking statements and information set out herein.

The information set out herein under the heading "2014 Guidance" is "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 2014. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

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 future financial and operating results, including with respect to the amount of Kelt's credit facility as at December 31, 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 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; failure to obtain necessary regulatory approvals for planned operations; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; volatility of commodity prices, currency exchange rate fluctuations; imprecision of reserve estimates; and competition from other explorers) as well as general economic conditions, stock market volatility; and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

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 document 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 investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

“Operating income” is calculated by deducting royalties, production expenses and transportation expenses from oil and gas revenue, after realized gains or losses on financial instruments. The Company refers to operating income expressed per unit of production as an “Operating netback”. “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 income or 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. “Production per common share” is calculated by dividing total production by the basic weighted average number of common shares outstanding, as determined 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 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.

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

For further information, please contact:

KELT EXPLORATION LTD., Suite 300, 311 – 6th Avenue SW, Calgary, Alberta, Canada T2P 3H2

David J. Wilson, President and Chief Executive Officer (403) 201-5340, or
Sadiq H. Lalani, Vice President, Finance and Chief Financial Officer (403) 215-5310.
Or visit our website at www.keltexploration.com.