



PRESS RELEASE

(Stock Symbol: KEL – TSX)

March 9, 2015

Calgary, Alberta

KELT INCREASES CDE FLOW-THROUGH EQUITY FINANCING TO \$33.4 MILLION

CALGARY, Alberta, Kelt Exploration Ltd. (“**Kelt**” or the “**Company**”) is pleased to announce that it has increased its previously announced non-brokered private placement of common shares, issued on a “flow-through” basis in respect of Canadian development expenses at a price of \$8.60 per share, from \$28.4 million to \$33.4 million (the “**Private Placement**”). Proceeds from the Private Placement will be used to partially finance the Company’s drilling and completion expenditures during the remainder of 2015.

Pursuant to the Private Placement, the Company has issued 3.3 million flow-through common shares for gross proceeds of \$28.4 million. One million flow-through common shares were issued on February 27, 2015 and 2.3 million flow-through common shares were issued on March 6, 2015. In addition, the Company has received commitments from subscribers to purchase an additional 581,400 flow-through common shares for aggregate gross proceeds of \$5.0 million, which is expected to close on or about March 16, 2015.

Certain directors, officers and employees of the Company have been issued an aggregate of 1.7 million flow-through common shares for gross proceeds of \$14.7 million representing approximately 44% of the aggregate issue.

Kelt shall, pursuant to the provisions in the *Income Tax Act* (Canada), incur eligible Canadian development expenses (the “**Qualifying Expenditures**”), after the applicable closing date(s) and prior to December 31, 2015 in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of the flow-through common shares. Kelt shall renounce the Qualifying Expenditures so incurred to the purchasers of the flow-through common shares in an amount equal to \$8.60 per share on or prior to December 31, 2015.

The common shares issued in connection with the Private Placement will be subject to a statutory hold period of four months plus one day from the applicable date(s) of completion of the Private Placement, in accordance with applicable securities legislation. Closing of the remainder of the Private Placement is subject to certain conditions including normal regulatory approvals and specifically, the approval of the Toronto Stock Exchange.

Pro-forma Debt

After giving effect to the previously announced acquisition of Artek Exploration Ltd., which is expected to be completed on or around April 16, 2015 by way of a statutory plan of arrangement, and after giving effect to the Private Placement, Kelt's pro-forma bank debt, net of working capital at December 31, 2015 is estimated to be \$198.0 million or 1.7 times estimated pro-forma 2015 funds from operations.

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 on 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 pertaining, to the following: the Company's plans to incur and renounce the Qualifying Expenditures and the expected closing of the remainder of the Private Placement.

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.

Non-GAAP Measures

This press release contains certain financial measures, as described below, which do not have standardized meanings prescribed by Canadian Generally Accepted Accounting Principles (“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.

“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 is used by Kelt as a key measure of performance and is not intended to represent operating profit nor should it be viewed as an alternative to cash provided by operating activities, profit or other measures of financial performance calculated in accordance with GAAP.

For further information, please contact:

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