PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
August 10, 2015
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the three and six months ended June 30, 2015. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended June 30			Six months ended June 30		
(CA$ thousands, except as otherwise indicated)	**2015**	2014	%	**2015**	2014	%
Revenue, before royalties and financial instruments	**52,131**	51,366	1%	**91,514**	99,159	-8%
Funds from operations[1]	**14,701**	27,973	-47%	**28,681**	54,085	-47%
Basic ($/ common share)[1]	**0.10**	0.23	-57%	**0.20**	0.46	-57%
Diluted ($/ common share)[1]	**0.09**	0.22	-59%	**0.20**	0.46	-57%
Profit (loss) and comprehensive income (loss)	**(7,407)**	3,336	-	**(23,931)**	8,187	-
Basic ($/ common share)	**(0.05)**	0.03	-	**(0.17)**	0.07	-
Diluted ($/ common share)	**(0.05)**	0.03	-	**(0.17)**	0.07	-
Total capital expenditures, net of dispositions	**341,905**	36,559	835%	**419,605**	77,492	441%
Total assets	**1,366,676**	669,098	104%	**1,366,676**	669,098	104%
Bank debt	**224,221**	-	-	**224,221**	-	-
Working capital deficiency (surplus)	**25,831**	(116,488)	-	**25,831**	(116,488)	-
Shareholders' equity	**872,647**	544,735	60%	**872,647**	544,735	60%
Weighted average shares outstanding (000's)						
Basic	**153,990**	122,456	26%	**141,163**	116,755	21%
Diluted	**155,300**	124,728	25%	**142,212**	118,832	20%

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

FINANCIAL STATEMENTS

Kelt's unaudited condensed consolidated interim financial statements and related notes for the quarter ended June 30, 2015 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 August 10, 2015.

Kelt's operating results for the three and six months ended June 30, 2015 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended June 30			Six months ended June 30		
(CA$ thousands, except as otherwise indicated)	**2015**	2014	%	**2015**	2014	%
Average daily production						
Oil (bbls/d)	**5,419**	2,590	109%	**5,189**	2,509	107%
NGLs (bbls/d)	**1,494**	826	81%	**1,437**	740	94%
Gas (mcf/d)	**75,362**	47,792	58%	**66,737**	45,094	48%
Combined (BOE/d)	**19,473**	11,381	71%	**17,749**	10,765	65%
Production per million common shares (BOE/d)(1)	**126**	93	35%	**126**	92	37%
Average realized prices, after financial instruments						
Oil ($/bbl)	**59.54**	96.08	-38%	**52.84**	92.97	-43%
NGLs ($/bbl)	**25.43**	63.60	-60%	**32.63**	66.12	-51%
Gas ($/mcf)	**2.85**	5.18	-45%	**2.94**	5.56	-47%
Operating netbacks(1) ($/BOE)						
Oil and gas revenue	**29.42**	49.59	-41%	**28.49**	50.89	-44%
Realized gain (loss) on financial instruments	**0.15**	(1.36)	-	**0.65**	(1.37)	-
Average realized price, after financial instruments	**29.57**	48.23	-39%	**29.14**	49.52	-41%
Royalties	**(2.91)**	(6.49)	-55%	**(3.07)**	(6.50)	-53%
Production expense	**(13.58)**	(12.26)	11%	**(12.72)**	(12.34)	3%
Transportation expense	**(2.85)**	(1.85)	54%	**(2.87)**	(2.23)	29%
Operating netback(1)	**10.23**	27.63	-63%	**10.48**	28.45	-63%
Drilling Activity						
Total wells	**-**	8	-	**7**	16	-56%
Working interest wells	**-**	5.6	-	**5.5**	12.5	-56%
Success rate on working interest wells	**-**	100%	-	**100%**	100%	-
Undeveloped land						
Gross acres	**661,304**	377,462	75%	**661,304**	377,462	75%
Net acres	**532,538**	244,303	118%	**532,538**	244,303	118%

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

MESSAGE TO SHAREHOLDERS

The Company is pleased to report its second quarter interim results to shareholders for the three months ended June 30, 2015. Kelt achieved record average production levels in the second quarter of 2015. Average production for the three months ended June 30, 2015 was 19,473 BOE per day, up 71% from average production of 11,381 BOE per day during the second quarter of 2014. On a production per share basis, second quarter 2015 production was up 35% compared to the same period in 2014. Daily average production in the second quarter of 2015 was 22% higher than the average production of 16,005 BOE per day in the first quarter of 2015. Kelt showed strong production growth in the second quarter of 2015 despite having approximately 1,630 BOE per day of production downtime during the quarter resulting from third party transportation restrictions and plant/facility downtime.

For the three months ended June 30, 2015, revenue, before royalties and financial instruments was $52.1 million, funds from operations was $14.7 million ($0.09 per share, diluted) and the net loss was $7.4 million ($0.05 per share, diluted). During the second quarter of 2015, the Company experienced higher production and transportation expenses on a unit basis compared to the same quarter in 2014, primarily due to higher trucking costs at its B.C. properties, and one-time costs relating to the integration of the acquisition of Artek Exploration Ltd. ("Artek"), where Kelt took over as operator of the B.C. properties. In addition, fixed production expenses continued to be incurred in areas where Kelt had production downtime, resulting in higher per unit costs. Kelt expects these issues to be alleviated in the future when B.C. liquids production is pipeline connected and when third party transportation restrictions are lifted.

At June 30, 2015, bank debt, net of working capital was $250.1 million, representing 83% of its $300 million bank credit facility. Subsequent to the end of the second quarter, on July 7, 2015, Kelt completed equity offerings for gross proceeds of $90.0 million which have initially been used to pay down outstanding bank debt.

During the three months ended June 30, 2015, Kelt did not drill any new wells; however, the Company did incur capital expenditures completing previously drilled wells. In addition, Kelt incurred significant capital expenditures during the second quarter of 2015 on facilities and pipelines. These infrastructure expenditures will benefit the Company in the future by providing its oil and gas production with transportation to market and ultimately, production/transportation cost savings for products previously being trucked. Recently drilled wells in the Company's B.C. properties that were completed using slick-water in both the Doig and Montney formations, continue to perform at better than average type curve rates. As a result, the Company expects to drill five additional wells at Fireweed/Inga in the second half of 2015. The Company also expects to drill three Montney oil wells at its Pouce Coupe property near Grande Prairie, Alberta, during the remainder of 2015.

Net capital expenditures incurred during the second quarter were $341.9 million, of which $5.9 million was for completing wells, $11.5 million was for facilities, pipelines and well equipment and $11.4 million was for land, seismic and property acquisitions. During the second quarter of 2015, Kelt completed a strategic property acquisition at Karr, Alberta resulting in access to key infrastructure, including a 3.3% ownership interest in the Karr Gas Plant. In addition, the Company incurred $313.1 million to complete the acquisition of Artek.

On April 16, 2015, Kelt completed the acquisition of Artek by acquiring all of the issued and outstanding common shares of Artek on the basis of 0.34 of a Kelt common share for each Artek common share. Based on the volume-weighted average trading price of the Kelt common shares for the five trading days ended February 20, 2015 (the announcement date) of $8.10 on the Toronto Stock Exchange ("TSX"), the deemed acquisition price was approximately $313.1 million, comprised of the issuance of approximately 26.9 million Kelt common shares and the assumption of approximately $95.2 million of estimated net debt as at April 16, 2015. At closing, Artek was re-named Kelt Exploration (LNG) Ltd. ("Kelt LNG"). Kelt has transferred all of its B.C. assets to Kelt LNG and at the same time, Kelt LNG has transferred all of its Alberta assets to Kelt. Kelt LNG operates in B.C. as a wholly-owned subsidiary of Kelt.

Kelt's Board of Directors has approved an amended 2015 capital expenditure budget of $500.0 million. In aggregate, the Company expects to spend $106.8 million on drilling and completing wells, $44.0 million on facilities, equipment and pipelines, and $36.0 million on land, seismic and property acquisitions. The acquisition of Artek in the amount of $313.2 million makes up the remainder of the budget.

Kelt expects production in 2015 to average between 19,500 and 20,000 BOE per day. Production is expected to be weighted 28% oil, 9% NGLs, and 63% gas; however, operating income in 2015 is expected to be derived 70% from oil production, 12% from NGLs production, and 18% from gas production.

The Company's average commodity price assumptions for 2015 are US$56.50 per barrel for WTI oil, US$2.95 per MMBTU for NYMEX natural gas, $2.75 per GJ for AECO natural gas and a US/Canadian dollar exchange rate of US$0.786.

After giving effect to the aforementioned production and commodity price assumptions, the increased capital expenditure budget and the July 2015 equity offerings, funds from operations for 2015 is forecasted to be approximately $83.0 million or $0.53 per common share, diluted. Kelt estimates that the Company's bank indebtedness, net of working capital, will be approximately $187.5 million as at December 31, 2015 or 62% of its current credit facility borrowing capacity.

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 below.

The information set out herein 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 2015. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

In light of the current energy business environment with much lower oil and gas prices compared to 2014, Kelt has taken steps to take advantage of acquisition opportunities and has positioned itself financially to create sufficient financial flexibility to carry out its operations during the remainder of the year. Management is excited about the Company's prospects and looks forward to updating shareholders with 2015 third quarter results on or about November 10, 2015.

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 pertaining to the expected reduction of production expenses upon successful integration of the Artek acquisition, the expected reduction of transportation expenses if/when B.C. liquids production is pipeline connected and assuming third party transportation restrictions are lifted, Kelt's planned level of capital expenditures, as well as the Company's expected future financial position and operating results.

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 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 transaction costs associated with acquisitions and dispositions, settlement of decommissioning obligations and the 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

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.

ABBREVIATIONS

bbls	barrels
bbls/d	barrels per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmcf	million cubic feet
mmcf/d	million cubic feet per day
MMBTU	million British Thermal Units
GJ	gigajoule
BOE	barrel of oil equivalent
BOE/d	barrel of oil equivalent per day
NGLs	natural gas liquids
AECO	Alberta Energy Company "C" Meter Station of the Nova Pipeline System
WTI	West Texas Intermediate
NYMEX	New York Mercantile Exchange
USD	United States dollars
CAD	Canadian dollars
TSX	the Toronto Stock Exchange
KEL-T	trading symbol for Kelt Exploration Ltd. on the Toronto Stock Exchange
GAAP	Generally Accepted Accounting Principles

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.