



PRESS RELEASE: For immediate dissemination

KELT ANNOUNCES \$99.6 MILLION EQUITY FINANCING

CALGARY, Alberta, August 6, 2013 ("KEL" – TSX) – Kelt Exploration Ltd. ("Kelt" or the "Company") is pleased to announce a common share and flow-through share equity financing for gross aggregate proceeds of \$99.6 million.

Kelt has entered into an agreement with a syndicate of underwriters led by Peters & Co. Limited, and including FirstEnergy Capital Corp., CIBC World Markets Inc., Dundee Securities Ltd., RBC Capital Markets, GMP Securities L.P., Stifel Nicolaus Canada Inc., Macquarie Capital Markets Canada Ltd., National Bank Financial Inc., Cormark Securities Inc., Scotia Capital Inc., AltaCorp Capital Inc., and Paradigm Capital Inc. (collectively the "Underwriters"), under which the Underwriters have agreed to purchase for resale to the public, on a bought deal private placement basis, 10.0 million common shares of Kelt at a price of \$8.00 per common share resulting in gross proceeds of \$80.0 million and in addition, the Underwriters have agreed to sell to the public, on a guaranteed agency basis, 2.0 million flow-through common shares of Kelt at a price of \$9.80 per flow-through common share resulting in gross proceeds of \$19.6 million.

Kelt has also granted the Underwriters an option, exercisable for a period commencing at closing of the offering and ending 30 days following closing of the offering, to purchase an additional 1.5 million common shares at the same common share offering price of \$8.00, which if exercised, would increase the common share offering gross proceeds to \$92.0 million and aggregate total offering gross proceeds to \$111.6 million.

Insider Participation

Included and as part of the above offering, certain directors and officers of the Company intend to purchase 500,000 common shares at a price of \$8.00 per common share and 500,000 flow-through common shares at a price of \$9.80 per flow-through common share for an aggregate purchase amount of \$8.9 million. The amount being purchased by Kelt insiders is just under the maximum amount allowed to be purchased by Kelt insiders at this time under the Toronto Stock Exchange private placement rules, without obtaining security holder approval.

Net proceeds from the private placement equity offering (the "Private Placement") will be used to fund Kelt's 2013 and 2014 capital expenditures and for general working capital purposes. Kelt shall, pursuant to the provisions in the *Income Tax Act* (Canada), incur Canadian Exploration Expenses, including, if applicable, deemed Canadian Exploration Expenses, (the "Qualifying Expenditures") after the Closing Date (as defined below) and prior to December 31, 2014 in the aggregate amount of not

less than the total amount of the gross proceeds raised from the issue of flow-through common shares. Kelt shall renounce the Qualifying Expenditures so incurred to the purchasers of the flow-through common shares such that \$9.80 per flow-through common share shall be deductible against the subscribers' income for the fiscal year ended December 31, 2013.

This transaction is subject to certain conditions including normal regulatory approvals and specifically, the approval of the Toronto Stock Exchange. The common shares will be offered in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec by way of private placement. The Kelt shares to be issued in connection with the Private Placement will be subject to a statutory hold period of four months plus one day from the date of completion of the Private Placement, in accordance with applicable securities legislation. Closing is anticipated to occur on or about August 27, 2013 (the "Closing Date").

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.

Financial Position

After giving effect to the Private Placement and after incurring the expenditures forecasted in the Company's 2013 capital budget, Kelt estimates that it will have a positive working capital surplus of approximately \$78.0 million at the end of 2013. As a result, the Company expects that it will have sufficient financial flexibility to carry out its operations during the year and into 2014 and pursue new opportunities as they arise.

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. Kelt's land holdings are located in three core areas: (a) a natural gas property at Grande Cache, Alberta; (b) a liquids-rich natural gas property at Inga, British Columbia; and (c) an oil prospect at Karr, Alberta.

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, forward-looking statements and information in this press release include, but are not limited to: the ongoing operations of Kelt, statements concerning the working capital position of the Company and the use of proceeds from the Private Placement.

The forward-looking statements and information contained in this press release are based on certain key expectations and assumptions made by Kelt. Although Kelt believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because there can be no assurance that they will prove to be correct.

Since forward-looking statements and information 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 Toronto Stock Exchange approval, operational risks in development, exploration and production for oil and gas; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition, incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the forgoing list of factors is not exhaustive.

Management has included the above summary of assumptions and risks related to the forward-looking statements and information provided in this press release in order to provide readers with a more complete perspective on the ongoing operations of Kelt and the anticipated completion of the Private Placement and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements and information contained in this press release will transpire or occur, or if any of them do so, what benefits may be derived therefrom.

The forward-looking statements and information contained in this press release are made as of the date hereof and Kelt undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events, or results or otherwise, other than as 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.

Further Information

For further information, please contact:

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