



PRESS RELEASE: For immediate dissemination

KELT INCREASES EQUITY FINANCING TO \$132.2 MILLION

CALGARY, Alberta, March 5, 2014 ("KEL" - TSX) – Kelt Exploration Ltd. ("Kelt" or the "Company") has agreed to increase the brokered equity financing announced earlier today.

Revised Brokered Private Placement

Kelt has entered into a revised agreement with a syndicate of underwriters led by Peters & Co. Limited (collectively the "Underwriters"), pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal private placement basis, 8.5 million common shares of Kelt at a price of \$11.60 per common share, resulting in gross proceeds of \$98.6 million and in addition, the Underwriters have agreed to sell to the public, on a guaranteed agency basis, 1.53 million common shares (increased from 730,000 common shares) of Kelt on a "flow-through" basis in respect of Canadian development expenses at a price of \$12.75 per flow-through common share resulting in additional gross proceeds of \$19.5 million (increased from \$9.3 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 1.275 million common shares at the same common share offering price of \$11.60 per common share, which if exercised, would increase the common share offering gross proceeds by \$14.8 million. The financing is expected to close on or around March 25, 2014.

Non-brokered Private Placement

In conjunction with the aforementioned brokered private placement, Kelt has agreed to issue to certain directors, officers and employees of the Company, on a non-brokered basis, an additional 1.105 million common shares of Kelt on a "flow-through" basis in respect of Canadian development expenses at a price of \$12.75 per flow-through common share, resulting in additional proceeds of \$14.1 million. The non-brokered private placement will close concurrently with the closing of the brokered private placement on or around March 25, 2014.

Private Placements

Net proceeds from these private placement equity offerings (collectively, the "Private Placements") will be used to partially finance the increased 2014 capital expenditure programs and for general working capital purposes.

Kelt shall, pursuant to the provisions in the *Income Tax Act* (Canada), incur eligible Canadian development 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 in an amount equal to \$12.75 per flow-through common share on or prior to December 31, 2014.

This transaction is subject to certain conditions including normal regulatory approvals and specifically, the approval of the Toronto Stock Exchange. The common shares and flow-through common shares will be offered in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and such other provinces as may be agreed to between Kelt and the Underwriters by way of private placement. The Kelt common shares issued in connection with the Private Placements are subject to a statutory hold period of four months plus one day from the date of completion of the Private Placements, in accordance with applicable securities legislation.

The common shares may also be placed privately in the United States with certain qualified institutional buyers pursuant to Rule 144A of the Securities Act of 1933 and with certain accredited institutional investors under Regulation D.

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 increased capital spending and after giving effect to the Private Placements, Kelt estimates that it will have bank debt, net of working capital, of approximately \$17.9 million at the end of 2014. As a result, the Company expects to have sufficient financial flexibility to carry out its operations during 2014 and may pursue other opportunities, as they occur.

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, expected bank debt net of working capital at the end of 2014 and the use of proceeds from the Private Placements.

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.

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.

Additional Information

For further information, please contact:

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