PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
March 8, 2016
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2015

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the quarter and year ended December 31, 2015. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended December 31			Year ended December 31		
(CA$ thousands, except as otherwise indicated)	**2015**	2014	%	**2015**	2014	%
Revenue, before royalties and financial instruments	**42,797**	54,396	-21%	**179,326**	214,691	-16%
Funds from operations(1)	**11,172**	29,668	-62%	**56,517**	115,737	-51%
Basic ($/ common share)(1)	**0.07**	0.23	-70%	**0.37**	0.95	-61%
Diluted ($/ common share)(1)	**0.07**	0.23	-70%	**0.36**	0.93	-61%
Profit (loss) and comprehensive income (loss)	**(94,109)**	1,256	-	**(140,175)**	10,628	-
Basic ($/ common share)	**(0.56)**	0.01	-	**(0.91)**	0.09	-
Diluted ($/ common share)	**(0.56)**	0.01	-	**(0.91)**	0.09	-
Total capital expenditures, net of dispositions	**42,487**	99,466	-57%	**496,408**	423,900	17%
Total assets	**1,279,475**	908,709	41%	**1,279,475**	908,709	41%
Bank debt, net of working capital	**212,095**	104,430	103%	**212,095**	104,430	103%
Shareholders' equity	**847,618**	619,639	37%	**847,618**	619,639	37%
Weighted average shares outstanding (000's)						
Basic	**168,610**	126,760	33%	**154,829**	121,779	27%
Diluted	**169,352**	128,512	32%	**155,936**	124,296	25%

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

FINANCIAL STATEMENTS

Kelt's audited annual financial statements and related notes as at and for the year ended December 31, 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 March 8, 2016.

Kelt's operating results for the quarter and year ended December 31, 2015 are summarized as follows:

Operational Highlights	Three months ended December 31			Year ended December 31		
(CA$ thousands, except as otherwise indicated)	**2015**	2014	%	**2015**	2014	%
Average daily production						
Oil (bbls/d)	**5,185**	4,691	11%	**5,091**	3,413	49%
NGLs (bbls/d)	**1,864**	1,037	80%	**1,607**	924	74%
Gas (mcf/d)	**78,225**	58,984	33%	**71,272**	50,516	41%
Combined (BOE/d)	**20,086**	15,559	29%	**18,577**	12,756	46%
Production per million common shares (BOE/d)(1)	**119**	123	-3%	**120**	105	14%
Average realized prices, before financial instruments						
Oil ($/bbl)	**45.19**	68.16	-34%	**50.83**	85.91	-41%
NGLs ($/bbl)	**22.86**	44.98	-49%	**23.12**	59.47	-61%
Gas ($/mcf)	**2.40**	3.81	-37%	**2.74**	4.75	-42%
Operating netbacks(1) ($/BOE)						
Oil and gas revenue	**23.16**	38.00	-39%	**26.45**	46.11	-43%
Realized gain (loss) on financial instruments	**(1.15)**	1.96	-159%	**(0.12)**	(0.08)	50%
Average realized price, after financial instruments	**22.01**	39.96	-45%	**26.33**	46.03	-43%
Royalties	**(2.72)**	(4.55)	-40%	**(2.81)**	(6.11)	-54%
Production expense	**(9.21)**	(11.74)	-22%	**(11.34)**	(12.00)	-6%
Transportation expense	**(2.03)**	(2.12)	-4%	**(2.09)**	(2.30)	-9%
Operating netback(1)	**8.05**	21.55	-63%	**10.09**	25.62	-61%
Drilling Activity						
Total wells	**8**	9	-11%	**19**	36	-47%
Working interest wells	**6.0**	5.4	11%	**15.5**	27.1	-43%
Success rate on working interest wells	**100%**	100%	0%	**100%**	100%	0%
Undeveloped land						
Gross acres	**649,297**	494,361	31%	**649,297**	494,361	31%
Net acres	**521,413**	318,743	64%	**521,413**	318,743	64%
Reserves – proved plus probable						
Oil (mbbls)	**33,367**	23,474	42%	**33,367**	23,474	42%
NGLs (mbbls)	**21,010**	10,800	95%	**21,010**	10,800	95%
Gas (mmcf)	**576,779**	389,014	48%	**576,779**	389,014	48%
Combined (mBOE)	**150,507**	99,110	52%	**150,507**	99,110	52%

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

Message to Shareholders

Kelt achieved record production levels in the fourth quarter of 2015. Average production for the three months ended December 31, 2015 was 20,086 BOE per day, up 29% from the average production of 15,559 BOE per day during the fourth quarter of 2014. Daily average production in the fourth quarter of 2015 was 7% higher than the average production of 18,695 BOE per day in the third quarter of 2015.

For the three months ended December 31, 2015, revenue was $42.8 million and funds from operations was $11.2 million ($0.07 per share, diluted). For the year ended December 31, 2015, revenue was $179.3 million and funds from operations was $56.5 million ($0.36 per share, diluted). At December 31, 2015, bank debt, net of working capital was $212.1 million.

Kelt drilled 19 gross (15.5 net) wells during 2015 with a success rate of 100%, resulting in 9 (8.1 net) oil wells, 9 (6.4 net) gas wells, and 1 (1.0 net) service well. Of the wells drilled during the year, 8 gross (6.0 net) wells were drilled during the fourth quarter.

Kelt incurred total capital expenditures during the year of $496.4 million, of which $313.5 was for the acquisition of Artek Exploration Ltd. ("Artek"). During the fourth quarter of 2015, the Company spent $30.3 million on drilling and completing wells of which a portion of the spending is expected to contribute to 2016 production additions as the wells are brought on-stream.

During 2015, Kelt continued with its focus on long-term value creation by accumulating significant land acreage on resource-style plays, with a primary focus on Triassic Montney oil and liquids-rich gas plays. At December 31, 2015, Kelt's net land holdings were 730,308 acres (of which 71% was undeveloped), an increase of 58% compared to 461,188 acres (of which 69% was undeveloped) as at December 31, 2014. In addition, Kelt invested significantly in facilities and infrastructure during 2015, with the objective of reducing future production and transportation expenses. The majority of savings is expected to be realized through connecting oil production to Company owned pipelines (eliminating the need to truck oil to market) and through waste water disposal at Company owned water injection wells (eliminating third-party charges for waste disposal).

Since Kelt began active operations at the end of February 2013, the Company has had exceptional drilling results in both Alberta and British Columbia, as it delineates its new prospects.

Top ten IP30 (gross sales, BOE/d) wells drilled by Kelt in Alberta are as follows:

(1) Karr 15-28-065-03W6 Upper Montney - 1,490 BOE/d (79% oil)

(2) Pouce Coupe 14-25-077-13W6 Lower Montney - 1,400 BOE/d (95% gas) *[a]*

(3) La Glace 13-33-074-08W6 Middle Montney - 1,090 BOE/d (88% oil)

(4) Pouce Coupe 16-17-077-12W6 Doig/Upper Montney 1,071 BOE/d (90% gas) *[a]*

(5) Pouce Coupe 13-08-078-11W6 Lower-Middle Montney - 1,068 (83% oil)

(6) Pouce Coupe 02/08-18-078-11W6 Upper-Middle Montney - 1,034 BOE/d (73% oil)

(7) Karr 16-28-065-03W6 Upper Montney - 1,022 BOE/d (57% oil)

(8) Pouce Coupe 14-08-078-11W6 Lower-Middle Montney - 995 BOE/d (83% oil)

(9) Pouce Coupe 13-32-077-11W6 Doig/Upper Montney - 988 BOE/d (80% gas)

(10) Progress 15-13-078-09W6 Montney - 973 BOE/d (58% oil) *[b]*

Notes:

[a] The Pouce Coupe 14-25 and 16-17 wells were drilled with approximately two mile horizontal laterals and were put on production at restricted rates due to limited compression capacity.

[b] The Progress 15-13 well is a new Montney discovery well. The production rate is an IP23.

[c] Oil % includes crude oil and natural gas liquids.

At its Inga/Fireweed property in British Columbia, wells drilled prior to July 2014 (operated by Artek) were predominantly completed using propane fractures. Since then, the IP30 rates (gross sales, BOE/d) for the nine wells that have been drilled and completed using slick-water fractures are as follows:

(1) Inga 10-21-087-23W6 Doig - 2,043 BOE/d (27% gas)

(2) Inga 03-33-087-23W6 Doig - 1,326 BOE/d (23% gas)

(3) Inga 08-31-087-23W6 Upper Montney - 1,296 BOE/d (26% gas)

(4) Inga 02-28-087-23W6 Doig - 1,271 BOE/d (50% gas) *[d]*

(5) Fireweed c-026-A/094-A-13 Upper Montney - 1,188 BOE/d (35% gas)

(6) Inga 07-17-087-23W6 Middle Montney - 905 BOE/d (31% gas) *[e]*

(7) Fireweed c-085-I/094-A-12 Upper Montney - 844 BOE/d (31% gas)

(8) Fireweed a-058-I/094-A-12 Upper Montney - 686 BOE/d (32% gas) *[f]*

(9) Inga 13-15-088-23W6 Doig - 661 BOE/d (37% gas) *[g]*

Notes:

[d] Hybrid completion.

[e] The Inga 07-17 well is the first drilled into the Middle Montney. All other Montney wells were drilled in the Upper Montney.

[f] During the completion operation of the Fireweed a-058-I Upper Montney well, the Company experienced difficulty getting liner to bottom resulting in only stimulating two-thirds of the well.

[g] The Inga 13-15 Doig well was drilled to test the edge of the Inga Doig pool.

2016 Operating Catalysts:

- At Pouce Coupe, Alberta, Kelt has been actively developing its high quality Montney oil reservoir targeting the lower lobe of the Middle Montney (“Sexsmith”). The Company has tested the upper lobe of the Middle Montney (“Montney H”) and with success in its initial well located at 02/08-18-078-11W6 which had an IP30 rate of 1,034 BOE per day (73% oil), will continue to further develop this new part of the reservoir;
- At Progress, Alberta, Kelt has accumulated approximately 40 gross sections (25 net sections) on a new prospective Montney play. The initial well (50% WI) has recently been put on production, however, is restricted due to capacity constraints. A follow-up well (50% WI) was drilled in January 2016, and is expected to be completed in the second quarter of 2016;
- At Karr, Alberta, the Company continues to develop the Upper Montney, however, recently the Company has drilled wells in the Middle Montney and in the Dunvegan formations. Initial production results from these two wells are encouraging and Kelt will pursue further development after evaluating the production from these wells over the next 6 to 12 months;
- At Inga, British Columbia, Kelt has actively developed the condensate-rich Doig gas reservoir. In early 2016, the Company has drilled what appears to be a new Doig anomaly on its lands and expects to complete this new prospect well in the second quarter of 2016;
- At Inga/Fireweed, British Columbia, where the Company owns 162 contiguous net sections (approximately 103,000 acres) of Montney rights, Upper Montney drilling to date has been successful with high associated condensate rates on the eastern part of its land block, however, in 2016, Kelt expects to test the upper Montney on the western part of its land base; and
- At Inga, Kelt has recently tested the Middle Montney formation by drilling a well located at 07-17-087-23W6. Similar to previous wells drilled in the Upper Montney in the area, this Middle Montney well flowed high volumes of field condensate with an IP30 rate (gross sales) of 905 BOE per day (69% condensate and liquids). Kelt is very excited about the possible scope of this new play and with further drilling success in the Middle Montney, the Company will have two Montney zones to pursue development and future growth on its large contiguous land block.

In light of the current energy business environment with much lower oil and gas prices year-to-date in 2016, compared to 2015, Kelt is optimistic that it can take advantage of the downturn by continuing with its strategy with emphasis on low-cost land accumulation in its core operating areas. Management looks forward to updating shareholders with 2016 first quarter results on or about May 11, 2016.

OUTLOOK AND GUIDANCE

The oil and gas industry in North America continues to operate in a challenging commodity price environment. Due to market instability and volatile commodity prices that have trended lower over the past twelve months, many oil and gas companies have reduced their capital spending plans. Ultimately, lower capital investment in oil and gas drilling can be expected to balance the supply and demand ratio. Kelt continues to remain optimistic about the long-term outlook for oil and gas commodity prices.

Kelt believes that the current business environment creates opportunities to add value at a reasonable cost. The cost to acquire land at Crown sales in the Company’s core operating areas has dropped significantly and service related costs to drill and complete wells have also declined substantially. In order to capitalize on opportunities in the current energy business environment, Kelt expects to remain active at Crown land sales. The Company is opportunity driven and is confident that it can continue to build on its current inventory of development projects by adding new exploration prospects.

Kelt's capital expenditure budget for 2016 is $65.0 million, of which approximately $35.0 million is expected to be incurred in the first half of 2016. Planned capital expenditures during the second half of 2016 includes $15.0 million of discretionary capital mostly relating to the drill and complete of two wells, which the Company may elect to not incur if commodity prices during the second half appear to be lower than the Company's current forecast.

The table below outlines the Company's forecasted financial and operating guidance for 2016, as previously disclosed in the Company's press release dated February 10, 2016:

(CA$ millions, except as otherwise indicated)	**2016 Forecast**
Average Production	
Oil and NGLs (bbls/d)	**7,360**
Gas (mmcf/d)	**81,840**
Combined (BOE/d)	**21,000**
Production per million common shares (BOE/d)	**124**
Forecasted Average Commodity Prices	
WTI oil price (USD/bbl)	**39.00**
NYMEX natural gas price (USD/MMBTU)	**2.50**
AECO natural gas price ($/GJ)	**2.50**
Forecasted Average Exchange Rate (US$/CA$)	**0.730**
Capital Expenditures	
Drilling & completions	**37.0**
Facilities, pipeline & well equipment	**17.0**
Land and seismic	**11.0**
Total Capital Expenditures	**65.0**
Funds from operations	**55.0**
Per share, diluted	**0.32**
Bank debt, net of working capital, at year-end	**222.0**
Weighted average common shares outstanding (millions)	**169**
Common shares issued and outstanding (millions)	**169**

Forecast average production of 21,000 BOE per day in 2016 represents a 13% increase from average production of 18,577 BOE per day in 2015 and is estimated to be weighted 35% to oil and NGLs and 65% to gas. However, based on the Company's forecasted commodity prices for 2016, 81% of forecasted operating income in 2016 is expected to be generated from oil and NGLs versus 19% from gas.

During 2016, the Company is forecasting oil and gas prices to average WTI US$39.00 per barrel and AECO $2.50 per GJ, respectively. Sensitivities to changes in these prices are as follows: a change of 10% in the average WTI oil price forecast would affect funds from operations by $6.9 million or 13% and a change of 10% in the average AECO gas price forecast would affect funds from operations by $7.6 million or 14%. The Company reviews its commodity price forecasts periodically and retains the flexibility to adjust its capital expenditure plans accordingly.

Royalties are expected to average 9.4% of sales in 2016. On a combined basis production and transportation expense in 2016 is estimated to be $13.06 per BOE, G&A expense is estimated to be $0.89 per BOE and interest expense is forecasted at $1.07 per BOE.

After giving effect to the aforementioned production estimates, commodity price assumptions and estimated expenses: funds from operations for 2016 is forecasted to be approximately $55.0 million or $0.32 per common share, diluted. Kelt estimates that the Company's bank indebtedness, net of working capital, will be approximately $222.0 million as at December 31, 2016.

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 2016. 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 pertaining to the following: the expectation that a portion of capital expenditures incurred during the fourth quarter of 2015 will contribute to 2016 production additions as the wells are brought on-stream; the anticipated continued reduction in production and transportation expenses resulting from operational initiatives and expenditures on infrastructure; the expected amount and timing of future development capital expenditures, including the impact on the "2016 Operating Catalysts" set-forth herein; the Company's ability to continue accumulating land at a low-cost in its core operating areas; and the Company's expected future financial position and operating results. Statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. Actual reserves may be greater than or less than the estimates provided herein.

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 associated 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, provisions for potential credit losses, 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
IP30	initial production from a well for the first 720 hours (30 days) based on operating/producing hours
IP23	initial production from a well for the first 552 hours (23 days) based on operating/producing hours
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

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