



PRESS RELEASE

(Stock Symbol “KEL” – TSX)

March 7, 2018

Calgary, Alberta

**KELT REPORTS FINANCIAL AND OPERATING RESULTS
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2017**

Kelt Exploration Ltd. (“Kelt” or the “Company”) has released its financial and operating results for the fourth quarter and year ended December 31, 2017. The Company’s financial results are summarized as follows:

FINANCIAL HIGHLIGHTS <i>(CA\$ thousands, except as otherwise indicated)</i>	Three months ended December 31			Year ended December 31		
	2017	2016	%	2017	2016	%
Petroleum and natural gas revenue, before royalties	80,838	55,737	45	257,557	184,613	40
Cash provided by operating activities	36,458	21,919	66	115,222	44,720	158
Adjusted funds from operations ⁽¹⁾	32,898	23,100	42	108,011	58,380	85
Basic (\$/ common share) ⁽¹⁾	0.18	0.13	38	0.61	0.34	79
Diluted (\$/ common share) ⁽¹⁾	0.18	0.13	38	0.61	0.34	79
Profit (loss) and comprehensive income (loss)	(5,389)	11,856	-145	(23,178)	(49,774)	-53
Basic (\$/ common share)	(0.03)	0.07	-143	(0.13)	(0.29)	-55
Diluted (\$/ common share)	(0.03)	0.07	-143	(0.13)	(0.29)	-55
Total capital expenditures, net of dispositions	55,778	36,339	53	127,977	98,268	30
Total assets	1,276,567	1,255,958	2	1,276,567	1,255,958	2
Bank debt, net of working capital ⁽¹⁾	136,729	138,042	-1	136,729	138,042	-1
Convertible debentures	74,517	70,978	5	74,517	70,978	5
Shareholders' equity	845,701	843,301	0	845,701	843,301	0
Weighted average shares outstanding (000s)						
Basic	178,220	175,275	2	176,466	173,076	2
Diluted	179,898	176,234	2	177,920	173,415	3

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

FINANCIAL STATEMENTS

Kelt’s audited annual financial statements and related notes as at and for the year ended December 31, 2017 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 7, 2018.

Kelt's operating results for the fourth quarter and year ended December 31, 2017 are summarized as follows:

OPERATIONAL HIGHLIGHTS <i>(CA\$ thousands, except as otherwise indicated)</i>	Three months ended December 31			Year ended December 31		
	2017	2016	%	2017	2016	%
Average daily production						
Oil (bbls/d)	7,902	4,746	66	6,634	5,070	31
NGLs (bbls/d)	3,379	2,502	35	2,608	2,709	-4
Gas (mcf/d)	82,689	75,084	10	77,330	79,009	-2
Combined (BOE/d)	25,063	19,762	27	22,130	20,947	6
Production per million common shares (BOE/d) ⁽¹⁾	141	113	25	125	121	3
Average realized prices, before financial instruments ⁽¹⁾						
Oil (\$/bbl)	65.13	58.23	12	59.10	47.84	24
NGLs (\$/bbl)	29.62	23.11	28	27.72	18.28	52
Gas (\$/mcf)	2.79	3.62	-23	3.01	2.69	12
Operating netbacks (\$/BOE) ⁽¹⁾						
Petroleum and natural gas revenue, before royalties	35.06	30.66	14	31.89	24.08	32
Cost of purchases	(1.32)	-	-	(0.38)	-	-
Average realized price, before financial instruments ⁽¹⁾	33.74	30.66	10	31.51	24.08	31
Cash premiums on derivatives	-	0.11	-100	-	0.06	-100
Realized gain (loss) on financial instruments	(0.32)	(0.24)	33	(0.13)	(0.04)	225
Average realized price, after financial instruments ⁽¹⁾	33.42	30.53	9	31.38	24.10	30
Royalties	(3.12)	(2.86)	9	(2.92)	(2.08)	40
Production expense	(11.01)	(9.47)	16	(10.05)	(9.29)	8
Transportation expense	(3.11)	(3.12)	0	(3.13)	(2.86)	9
Operating netback ⁽¹⁾	16.18	15.08	7	15.28	9.87	55
Undeveloped land						
Gross acres	755,455	768,345	-2	755,455	768,345	-2
Net acres	637,823	647,770	-2	637,823	647,770	-2
Reserves – proved plus probable						
Crude oil (mbbls)	21,438	23,308	-8	21,438	23,308	-8
NGLs (mbbls)	80,350	48,585	65	80,350	48,585	65
Gas (mmcf)	802,875	733,037	10	802,875	733,037	10
Combined (mBOE)	235,601	194,066	21	235,601	194,066	21

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

MESSAGE TO SHAREHOLDERS

Average production for the three months ended December 31, 2017 was a Company record high quarterly production of 25,063 BOE per day, up 27% compared to average production of 19,762 BOE per day during the fourth quarter of 2016. Daily average production in the fourth quarter of 2017 was 11% higher than average production of 22,510 BOE per day in the third quarter of 2017. In addition, Kelt achieved a record high calendar year average production in 2017. Average production for 2017 was 22,130 BOE per day, up 6% from average production of 20,947 BOE per day in 2016 and 2% higher than guidance whereby Kelt's forecasted target for average production in 2017 was 21,800 BOE per day. Production for 2017 was weighted 42% oil and NGLs and 58% gas.

Kelt's realized average oil price during the fourth quarter of 2017 was \$65.13 per barrel, up 22% from \$53.22 per barrel in the third quarter of 2017 and up 12% from \$58.23 per barrel in the fourth quarter of 2016. The realized average NGLs price during the fourth quarter of 2017 was \$29.62 per barrel, up 22% from \$24.34 per barrel in the third quarter of 2017 and up 28% from \$23.11 per barrel in the corresponding quarter of

2016. Kelt's realized average gas price during the fourth quarter of 2017 was \$2.79 per MCF, up 20% from \$2.33 per MCF in the third quarter of 2017 and down 23% from the realized average gas price of \$3.62 per MCF in the fourth quarter of the previous year.

Kelt's operating netback for the fourth quarter of 2017 was reported as \$16.18 per BOE and production expense was reported as \$11.01 per BOE. Subsequent to the Company's press release issued on February 8, 2018, Kelt was provided with notice by a third-party operator of a gas plant in the Pouce Coupe/Progress area that the operator had erroneously undercharged Kelt operating expenses related to Kelt gas volumes processed at the gas plant for 2016 and 2017. As a result, Kelt has recorded \$5.2 million of additional production expense (of which, \$2.3 million related to 2016 expenses) during the fourth quarter of 2017. This resulted in additional production expense of \$2.26 per BOE during the quarter. The pro-forma effect of recording the correct amounts in each calendar year is as follows:

2017 Production Expense		2016 Production Expense	
As Reported	Pro-Forma Actual	As Reported	Pro-Forma Actual
\$81.2 million	\$78.9 million	\$71.2 million	\$73.5 million
\$10.05 per BOE	\$9.77 per BOE	\$9.29 per BOE	\$9.58 per BOE

For the three months ended December 31, 2017, total revenue was \$80.8 million and adjusted funds from operations was \$32.9 million (\$0.18 per share, diluted), compared to \$55.7 million and \$23.1 million (\$0.13 per share, diluted) respectively, in the fourth quarter of 2016. At December 31, 2017, bank debt, net of working capital was \$136.7 million, down 1% from \$138.0 million at December 31, 2016.

Net capital expenditures incurred during the three months ended December 31, 2017 were \$55.8 million and for the year ended December 31, 2017, net capital expenditures were \$128.0 million. During 2017, the Company spent \$154.7 million on drill and complete operations, \$78.0 million on equipment, facilities and pipelines and \$11.1 million on land and seismic. During the year, Kelt realized proceeds of \$116.3 million from asset dispositions and incurred \$0.5 million on asset acquisitions.

As at December 31, 2017, Kelt's net working interest land holdings were 852,181 acres (1,332 sections) of which 637,823 net acres (997 sections) are undeveloped. Kelt is focused on long-term value creation by accumulating significant undeveloped land acreage on resource style plays, with a primary focus on Triassic Montney oil and liquids-rich gas plays. At December 31, 2017, Kelt's net Montney land holdings were 438,365 acres (685 sections).

In the fourth quarter of 2017, Kelt drilled seven horizontal wells that were not yet completed ("DUCs") at year-end. Five wells were from a pad at Pouce Coupe in the Middle Montney (D2), the sixth well was drilled at Progress in the Middle Montney and the seventh well was drilled at Inga in the Upper Montney. These wells are all expected to be completed by the end of the first quarter in 2018. During the completion operations of the five-well pad at Pouce Coupe, the Company shut-in existing producing wells in the pool in order to mitigate damage while fracking. Kelt expects to bring the five-well pad and previously shut-in production at Pouce Coupe on-stream during March and April 2018.

The Progress Middle Montney well is expected to be put on production in July 2018 after tie-in pipeline construction is completed. In addition, Kelt has drilled two wells (at 56% working interest) in the Halfway oil play at Progress and expects to have these wells on-stream by early April 2018.

At Inga, Kelt is currently drilling a three-well pad targeting the Upper Montney, the IBZ Middle Montney and the Middle Montney formations. These wells are expected to be drilled by the end of the first quarter and are expected to be completed in the second quarter of 2018.

Kelt continues to delineate its recently acquired undeveloped Montney lands at Oak/Flatrock in British Columbia and at Wembley/Pipestone in Alberta. At Oak/Flatrock, the Company has drilled two delineation wells to date in 2018 and expects to have these wells completed by April 2018.

At Wembley/Pipestone, Kelt has drilled three delineation wells to date in 2018 and a fourth well is expected to be drilled prior to the end of the first quarter. The Company has entered into an agreement with Tidewater Midstream and Infrastructure Ltd. ("Tidewater") for firm processing of 25.0 MMcf per day of raw gas under a five year take-or-pay arrangement at Tidewater's proposed deep-cut natural gas processing plant that is expected to be constructed and on-stream by the third quarter of 2019. Kelt, at its sole discretion, has the option to convert a part of its take-or-pay arrangement into an ownership interest (up to 15%) in the proposed Tidewater gas plant. The Company currently owns a fractional interest in the Cenovus Wembley Gas Plant which has allowed Kelt to produce its first Montney well at Wembley/Pipestone. The ability to produce solution gas on this oil prone Montney play through deep-cut gas processing facilities further enhances the overall oil/NGLs weighting in the play. The first well at Wembley/Pipestone had an IP120 of 1,009 BOE per day (46% oil, 27% NGLs and 27% gas). During the 120 day period, NGL recoveries were 110 barrels per MMcf of raw gas (or 160 barrels per MMcf of sales gas).

OUTLOOK AND GUIDANCE

During the period of low oil and gas prices experienced by the energy industry, Kelt was well positioned to take advantage of opportunities to add value at a reasonable cost. The cost to acquire land at Crown sales in the Company's core operating areas had dropped significantly and service related costs to drill and complete wells had also declined substantially. Kelt has transitioned to development pad drilling in order to take advantage of lower oilfield related service costs and will continue to test newly acquired exploration lands.

WTI crude oil prices are forecasted to average US\$58.50 per barrel in 2018, up 15% from the average price of US\$50.95 per barrel in 2017. AECO natural gas prices are forecasted to average \$1.96 per GJ in 2018, down 4% from the average price of \$2.04 per GJ in 2017. Kelt is expected to realize a premium (prior to adjusting for heat content) of approximately 33% to the average forecasted AECO price in 2018 as a result of its diversified gas market contracts.

The Company's Board of Directors previously approved a capital expenditure budget of \$210.0 million for 2018 and this approved, budgeted amount is not being changed at this time. Kelt expects to drill 21 gross (20.1 net) wells in 2018, however the Company expects to complete 28 gross (27.1 net) wells in 2018 as there were 7 gross (7.0 net) DUC wells carried over into the 2018 program from 2017.

Forecasted average production in 2018 is estimated to be in the range from 28,500 BOE per day to 29,500 BOE per day, representing a 29% to 33% increase from average production of 22,130 BOE per day in 2017. It is estimated that this 2018 forecasted average production will be weighted 47% to oil/NGLs and 53% to gas. However, based on the Company's forecasted commodity prices for 2018, 89% of forecasted operating income in 2018 is expected to be generated from oil and NGLs versus 11% from gas.

Oil and NGL prices have exceeded the Company's estimates for January and February; however, gas prices to date have been lower than forecasted. The Company will re-evaluate its spending plans for the remainder of 2018 after the first quarter. With continued improvement in commodity prices, Kelt may consider increasing its capital program for the balance of 2018 at that time.

After giving effect to the aforementioned production estimates, commodity price assumptions and estimated expenses, funds from operations for 2018 is forecasted to be approximately \$200.0 million or \$1.10 per common share, diluted. Kelt estimates that the Company's bank debt, net of working capital, will be approximately \$140.0 million as at December 31, 2018 (0.7 times forecasted 2018 funds from operations). Royalties are expected to average 10.8% of revenue in 2018. On average during 2018, combined production and transportation expense is estimated to be \$12.86 per BOE (\$9.54 per BOE and \$3.32 per BOE respectively), G&A expense is estimated to be \$0.76 per BOE and interest expense is forecasted at \$0.85 per BOE.

The table below outlines the Company's forecasted financial and operating guidance for 2018 and the comparative to previously announced 2018 guidance included in Kelt's press release dated November 9, 2017:

<i>(CA\$ millions, except as otherwise indicated)</i>	Current 2018 Guidance	Previous 2018 Guidance	Percent Change
Average Production			
Oil & NGLs (bbls/d)	13,400 – 13,900	13,400 – 13,900	N/C
Gas (mmcf/d)	90.6 – 93.6	90.6 – 93.6	N/C
Combined (BOE/d)	28,500 – 29,500	28,500 – 29,500	N/C
Production per million common shares (BOE/d)	158 – 164	159 – 165	
Forecasted Average Commodity Prices			
WTI oil price (US\$/bbl)	58.50	52.00	13%
Canadian Light Sweet (\$/bbl)	69.80	61.52	13%
NYMEX natural gas price (US\$/MMBTU)	3.05	3.15	- 3%
AECO natural gas price (\$/GJ)	1.96	2.15	- 9%
Average Exchange Rate (US\$/CA\$)	0.790	0.794	- 1%
Capital Expenditures			
Drilling & completions	135.0	135.0	N/C
Facilities, pipeline & well equipment	65.0	65.0	N/C
Land, seismic & property acquisitions	10.0	10.0	N/C
Net Capital Expenditures	210.0	210.0	N/C
Funds from operations	200.0	175.0	14%
Per common share, diluted	1.10	0.97	13%
Bank debt, net of working capital, at year-end ⁽¹⁾	140.0	155.0	- 10%
Net bank debt to trailing annual funds from operations ratio	0.7 x	0.9 x	- 22%
Weighted average common shares outstanding (millions)	180.0	179.0	1%

(1) In addition to bank debt, the Company has \$90.0 million principal amount of convertible debentures outstanding with a coupon of 5% per annum, maturing May 31, 2021.

Kelt is currently unhedged in 2018. As a result, a 10% increase (decrease) in the Company's forecasted average oil/NGLs price for 2018 would increase (decrease) forecasted funds from operations by approximately \$24.5 million (\$24.7 million). A 10% increase (decrease) in the Company's average gas price forecasted for 2018 would increase (decrease) funds from operations by approximately \$10.4 million (\$10.1 million). An increase (decrease) in the forecasted average exchange rate by CA\$/US\$0.05 would increase (decrease) funds from operations by approximately \$13.5 million (\$13.6 million).

The table below outlines the Company's revised forecasted financial guidance for 2018 compared to actual results for 2017:

<i>(CA\$ millions, except as otherwise indicated)</i>	2018 Guidance	2017 Actual	Percent Change
Average Production			
Oil & NGLs (bbls/d)	13,400 – 13,900	9,242	45% - 50%
Gas (mmcf/d)	90.6 – 93.6	77.3	17% - 21%
Combined (BOE/d)	28,500 – 29,500	22,130	29% - 33%
Production per million common shares (BOE/d)	158 – 164	125	26% - 31%
Forecasted Average Commodity Prices			
WTI oil price (US\$/bbl)	58.50	50.95	15%
Canadian Light Sweet (\$/bbl)	69.80	61.85	13%

NYMEX natural gas price (US\$/MMBTU)	3.05	3.07	- 1%
AECO natural gas price (\$/GJ)	1.96	2.04	- 4%
Average Exchange Rate (US\$/CA\$)	0.790	0.770	3%
Capital Expenditures			
Drilling & completions	135.0	154.7	- 13%
Facilities, pipeline & well equipment	65.0	78.0	- 17%
Land, seismic & property acquisitions	10.0	11.6	- 14%
Property dispositions	-	(116.3)	N/A
Net Capital Expenditures	210.0	128.0	64%
Adjusted funds from operations	200.0	108.0	85%
Per common share, diluted	1.10	0.61	80%
Bank debt, net of working capital, at year-end ⁽¹⁾	140.0	136.7	2%
Net bank debt to trailing annual funds from operations ratio	0.7 x	1.3 x	- 46%
Weighted average common shares outstanding (millions)	180.0	176.5	2%

(1) In addition to bank debt, the Company has \$90.0 million principal amount of convertible debentures outstanding with a coupon of 5% per annum, maturing May 31, 2021.

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 advisories regarding forward-looking statements and to the cautionary statement 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 the calendar year 2018. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

EXECUTIVE RESIGNATION

Ashley Hohm, Vice President, Finance, has advised the Company that she will resign, effective April 17, 2018. Ms. Hohm will assist the Company with transition prior to her departure. Kelt and the Board of Directors would like to thank Ms. Hohm for her contributions to the Company over the past five years and wish her well in her future endeavours. Kelt has commenced a search for Ms. Hohm’s replacement through an executive search firm.

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”, “potentially” 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: Kelt’s expectation that its gas pricing will realize a premium of approximately 33% to the average AECO price in 2018 as a result of its diversified gas market contracts; Tidewater’s proposed deep-cut natural gas processing plant that is expected to be constructed and on-stream by the third quarter of 2019; the completion of seven DUCs in Alberta by the end of the first quarter of 2018 and bringing on-stream certain previously shut-in existing wells in the same pool; tying-in and bringing on-stream a Progress Middle Montney well by July 2018 and bringing on-stream two Halfway oil wells at Progress during March and April 2018; the drilling, by March 2018 and completion by April 2018, of a three well pad targeting three different formations at Inga; the completion of two delineation wells at Oak/Flatrock by April 2018; the drilling of a fourth delineation well at Wembley/Pipestone prior to the end of the first quarter of 2018; and the timing of future development capital expenditures generally. 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 FINANCIAL MEASURES AND OTHER KEY PERFORMANCE INDICATORS

This press release contains certain financial measures, as described below, which do not have standardized meanings prescribed by GAAP. In addition, this press release contains other key performance indicators (“KPI”), financial and non-financial, that do not have standardized meanings under the applicable securities legislation. As these non-GAAP financial measures and KPI 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.

Non-GAAP financial measures

“Operating income” is calculated by deducting royalties, production expenses and transportation expenses from petroleum and natural gas revenue, net of the cost of purchases and after realized gains or losses on associated financial instruments. The Company refers to operating income expressed per unit of production as an “operating netback”. “Adjusted funds from operations” is calculated as cash provided by operating activities before changes in non-cash operating working capital, and adding back (if applicable): transaction costs associated with acquisitions and dispositions, provisions for potential credit losses, and settlement of decommissioning obligations. Adjusted 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. Adjusted 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.

Throughout this press release, reference is made to “revenue” and “average realized prices”. “Revenue” refers to petroleum and natural gas revenue, before royalties, as reported in the consolidated financial statements in accordance with GAAP. “Average realized prices” per unit of production are calculated based on revenue (before royalties) after deducting the cost of purchases related to third party volumes, and reflect the Company's realized selling prices plus the net benefit of oil blending/marketing activities. Given the Company's per unit operating statistics disclosed throughout this press release are calculated based on Kelt's production volumes, management believes that disclosing Kelt's average realized prices on this basis

is appropriate and useful, because the cost of third party volumes purchased to generate incremental marketing revenue has been deducted. "Average realized prices" referenced throughout this press release are before financial instruments, except as otherwise indicated as being after financial instruments.

The term "net bank debt" is used synonymously with, and is equal to, "bank debt, net of working capital". "Net bank debt" is calculated by adding the working capital deficiency to bank debt. The working capital deficiency is equal to total current assets net of total current liabilities. The Company uses a "net bank debt to trailing adjusted funds from operations ratio" as a benchmark on which management monitors the Company's capital structure and short-term financing requirements. Management believes that this ratio, which is a non-GAAP financial measure, provides investors with information to understand the Company's liquidity risk. The "net bank debt to trailing adjusted funds from operations ratio" is also indicative of the "debt to cash flow" calculation used to determine the applicable margin for a quarter under the Company's Credit Facility agreement (though the calculation may not always be a precise match, it is representative).

Other KPI

"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. This press release contains various references to the abbreviation BOE which means barrels of oil equivalent. Where amounts are expressed on a 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 and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation. References to "oil" in this press release include crude oil and field condensate. References to "natural gas liquids" or "NGLs" include pentane, butane, propane, and ethane. References to "liquids" include field condensate and NGLs. 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
tcf	trillion cubic feet
MMBTU	million British Thermal Units
GJ	gigajoule
BOE	barrel of oil equivalent
BOE/d	barrel of oil equivalent per day
NGLs	natural gas liquids
LNG	liquefied natural gas

AECO	Alberta Energy Company “C” Meter Station of the NOVA Pipeline System
NIT	NOVA Inventory Transfer (“AB-NIT”), being the reference price at the AECO Hub
WTI	West Texas Intermediate
NYMEX	New York Mercantile Exchange
US\$	United States dollars
CA\$	Canadian dollars
DUC	refers to drilled but un-completed wells
LMM	Lower-Middle Montney also referred to as “Montney Sexsmith” or “D1”
UMM	Upper-Middle Montney also referred to as “Montney H” or “D2”
IBZ	“In-Between Zone” of the Middle Montney
IP120	initial production from a well for the first 2,880 hours (120 days) based on operating/producing hours
TSX	the Toronto Stock Exchange
KEL	trading symbol for Kelt Exploration Ltd. common shares on the TSX
KEL.DB	trading symbol for Kelt Exploration Ltd. 5% convertible debentures on the TSX
GAAP	Generally Accepted Accounting Principles
KPI	Key Performance Indicators

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