PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
November 9, 2018
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the three and nine months ended September 30, 2018. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2018**	2017	%	**2018**	2017	%
Petroleum and natural gas revenue, before royalties	**100,219**	56,422	78	**288,927**	176,719	63
Cash provided by operating activities	**29,881**	24,394	22	**122,727**	78,764	56
Adjusted funds from operations (1)	**46,876**	22,957	104	**139,699**	75,113	86
Basic ($/ common share) (1)	**0.25**	0.13	92	**0.77**	0.43	79
Diluted ($/ common share) (1)	**0.25**	0.13	92	**0.76**	0.42	81
Profit (loss) and comprehensive income (loss)	**3,632**	(10,653)	134	**5,311**	(17,789)	130
Basic ($/ common share)	**0.02**	(0.06)	133	**0.03**	(0.10)	130
Diluted ($/ common share)	**0.02**	(0.06)	133	**0.03**	(0.10)	130
Total capital expenditures, net of dispositions	**68,427**	75,933	-10	**215,166**	72,199	198
Total assets	**1,378,114**	1,227,962	12	**1,378,114**	1,227,962	12
Net debt (1)	**176,046**	134,759	31	**176,046**	134,759	31
Convertible debentures	**77,350**	73,584	5	**77,350**	73,584	5
Shareholders' equity	**889,274**	830,344	7	**889,274**	830,344	7
Weighted average shares outstanding (000s)						
Basic	**183,919**	176,013	4	**182,262**	175,875	4
Diluted	**186,449**	177,206	5	**184,319**	177,204	4

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

FINANCIAL STATEMENTS

Kelt's unaudited consolidated interim financial statements and related notes for the quarter ended September 30, 2018 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 November 9, 2018.

Kelt's operating results for the third quarter ended September 30, 2018 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2018**	2017	%	**2018**	2017	%
Average daily production						
Oil (bbls/d)	**7,519**	6,881	9	**8,101**	6,206	31
NGLs (bbls/d)	**2,821**	2,714	4	**2,984**	2,348	27
Gas (mcf/d)	**95,186**	77,489	23	**92,078**	75,524	22
Combined (BOE/d)	**26,204**	22,510	16	**26,431**	21,141	25
Production per million common shares (BOE/d) (1)	**142**	128	11	**145**	120	21
Average realized prices, before financial instruments(1)						
Oil ($/bbl)	**80.62**	53.22	51	**76.29**	56.51	35
NGLs ($/bbl)	**41.20**	24.34	69	**36.39**	26.79	36
Gas ($/mcf)	**2.81**	2.33	21	**2.86**	3.09	-7
Operating netbacks ($/BOE) (1)						
Petroleum and natural gas revenue	**41.57**	27.24	53	**40.04**	30.62	31
Cost of purchases	**(3.83)**	-	-	**(2.61)**	-	-
Average realized price, before financial instruments(1)	**37.74**	27.24	39	**37.43**	30.62	22
Realized gain (loss) on financial instruments	**-**	0.02	-100	**-**	(0.06)	-100
Average realized price, after financial instruments(1)	**37.74**	27.26	38	**37.43**	30.56	22
Royalties	**(3.75)**	(2.46)	52	**(3.49)**	(2.84)	23
Production expense	**(9.31)**	(9.19)	1	**(9.30)**	(9.67)	-4
Transportation expense	**(3.75)**	(2.75)	36	**(3.66)**	(3.14)	17
Operating netback (1)	**20.93**	12.86	63	**20.98**	14.91	41
Undeveloped land						
Gross acres	**750,609**	775,485	-3	**750,609**	775,485	-3
Net acres	**634,982**	657,175	-3	**634,982**	657,175	-3

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

MESSAGE TO SHAREHOLDERS

Average production for the three months ended September 30, 2018 was 26,204 BOE per day, up 16% compared to average production of 22,510 BOE per day during the third quarter of 2017. Quarter-over-quarter, daily average production in the third quarter of 2018 was flat compared to average production of 26,120 BOE per day in the second quarter of 2018. Flat quarter-over-quarter production was primarily the result of a re-allocation of capital expenditures as previously announced by the Company in its press release dated September 4, 2018. Production for the three months ended September 30, 2018 was weighted 39% oil and NGLs and 61% gas. However, operating income was weighted 88% oil and NGLs and 12% gas.

Kelt's realized average oil price during the third quarter of 2018 was $80.62 per barrel, up 51% from $53.22 per barrel in the third quarter of 2017. The realized average NGLs price during the third quarter of 2018 was $41.20 per barrel, up 69% from $24.34 per barrel in the same quarter of 2017. Kelt's realized average gas price for the third quarter of 2018 was $2.81 per Mcf, up 21% from $2.33 per Mcf in the corresponding quarter of the previous year. Kelt benefits with premium natural gas price realizations compared to AECO as a result of its gas market diversification portfolio and high heat content gas. During the third quarter of 2018, the Company's realized average gas price was 138% higher than the average AECO 5A price of $1.18 per MMBtu.

To date, in the fourth quarter of 2018, the light oil differential from WTI to Edmonton CLS has widened significantly due to downstream refinery maintenance and insufficient pipeline egress from western Canada which is expected to negatively impact oil revenue for the Company during the fourth quarter of 2018. The Company expects to partially mitigate lower oil prices in the fourth quarter with significantly higher gas prices in its gas market portfolio. Kelt has entered into financial contracts as follows:

- fixed the price of Sumas natural gas at a price of US$5.97 per MMBtu on 7,500 MMBtu per day for the five month period from November 1, 2018 to March 31, 2019;
- fixed the Canadian Dollar exchange rate at $1.3050 per US Dollar on US$1.0 million per month for the twelve month period from January 1, 2019 to December 31, 2019;
- fixed the NYMEX to Dawn natural gas basis differential at negative US$0.0975 per MMBtu on 10,000 MMBtu per day for the twelve month period from January 1, 2019 to December 31, 2019; and
- fixed the NYMEX to Chicago natural gas basis differential at negative US$0.14 per MMBtu on 10,000 MMBtu per day for the ten month period from January 1, 2019 to October 31, 2019.

After considering existing contracts to deliver physical gas at Station 2, adjusting for heat value and after deducting the fixed financial basis contracted and current transportation costs, Kelt is expected to realize approximately $7.00 per Mcf for its B.C. gas delivered at Station 2 pursuant to the aforementioned fixed price Sumas contract of US$5.97/MMBtu for the period from November 1, 2018 to March 31, 2019.

For the three months ended September 30, 2018, revenue was $100.2 million and adjusted funds from operations was $46.9 million ($0.25 per share, diluted), compared to $56.4 million and $23.0 million ($0.13 per share, diluted) respectively, in the third quarter of 2017. Net capital expenditures incurred during the three months ended September 30, 2018 were $68.4 million. During the third quarter of 2018, the Company spent $29.6 million on drill and complete operations, $39.7 million on facilities, pipelines and equipment and $0.8 million on land and seismic. Despite large expenditures in recent years on land accumulation, exploration drilling and facilities, Kelt reported net earnings of $3.6 million for the quarter. This capital investment is expected to translate into future earnings growth as the Company moves into a full development drilling program.

Ongoing discussions relating to potential tariffs or an access surtax on steel products imported into Canada may result in significantly higher steel costs, if implemented. Kelt has been pro-active in this respect and has pre-acquired approximately $4.9 million of casing, tubing, rods and line pipe and intends to acquire up to an aggregate of $12.0 million by year-end. These steel products will be held in inventory in 2018 and are expected to be used in 2019 as part of the Company's budgeted operations. The incremental $12.0 million for steel products is included in the Company's estimated total net capital expenditure budget of $287.0 million for 2018.

At September 30, 2018, bank debt, net of working capital was $176.0 million, utilizing 70% of the authorized borrowing amount available under the Company's credit facility of $250.0 million.

2018 OUTLOOK

As a result of lower production than originally forecasted during the third quarter, primarily due to the re-allocation of capital expenditures, Kelt has reduced its annual 2018 average production estimate to be within a range of 27,000 to 28,000 BOE per day (previously 28,000 to 29,000 BOE per day). The expected range for production in 2018 would represent an increase between 22% and 27% from average production in 2017 of 22,130 BOE per day. Estimated production for 2018 is expected to be weighted approximately 42% oil and NGLs and 58% gas. The table below summarizes Kelt's revised financial guidance for 2018:

	New 2018 Forecast	Previous 2018 Forecast	Change
Commodity Prices:			
WTI Crude Oil (USD/bbl)	67.50	67.50	N/C
WTI to Edmonton CLS Basis Discount (CAD/bbl)	16.27	7.43	+ 119%
CLS Crude Oil (CAD/bbl)	70.94	79.59	− 11%
NYMEX Natural Gas (USD/MMBtu)	2.95	2.90	+ 2%
DAWN Gas Daily Index (USD/MMBtu)	3.00	2.85	+ 5%
CHICAGO City Gate Gas Daily Index (USD/MMBtu)	2.92	2.80	+ 4%
MALIN Gas Monthly Index (USD/MMBtu)	2.43	2.35	+ 3%
SUMAS Gas Monthly Index (USD/MMBtu)	2.85	2.15	+ 33%
AECO 5A Gas Daily Index (USD/MMBtu)	1.28	1.40	− 9%
Station 2 Gas NGX Daily Index (USD/MMBtu)	1.13	1.15	− 2%
Exchange Rate (USD/CAD)	0.774	0.776	N/C
Capital expenditures, net of dispositions ($ MM)	287.0	275.0	+ 4%
Funds from operations (“FFO”) ($ MM)	193.0	210.0	− 8%
Per common share, diluted ($)	1.04	1.14	− 9%
Bank debt, net of working capital, at year-end ($ MM)	195.0	168.0	+ 16%
Net bank debt to trailing FFO ratio	1.0 x	0.8 x	+ 25%

Note: N/C – no change.

Kelt’s 2018 capital expenditure program includes approximately $60.0 million of drilling and completion expenditures for wells that are not included in the 2018 production estimates as these wells are expected to be brought on-stream in 2019:

(a) 5 Montney wells at Wembley/Pipestone – drilled and completed in 2018 and expected to be brought on-stream in the second half of 2019 after construction of a proposed deep cut natural gas processing plant is completed; and
(b) 11 Montney wells at Inga/Fireweed – drilled in 2018, to be completed in 2019, and expected to be brought on-stream starting in the first half of 2019.

2019 GUIDANCE

The Company’s Board of Directors has approved an initial capital expenditure budget of $270.0 million for 2019. Kelt expects to drill 34 gross (33.0 net) wells in 2019 and expects to complete 36 gross (35.0 net) wells in 2019. The Company expects to have 11 gross (11.0 net) wells drilled but un-completed (“DUC”) in 2018 and 8 gross (8.0 net) wells drilled but un-completed in 2019. The 2019 capital expenditures are expected to be allocated as follows: $201.0 million for drilling and completing wells, $60.0 million for facilities, pipeline and equipment and $9.0 million for land and seismic.

Preparation of the 2019 budget includes the following forecasted commodity price assumptions (with estimated forecasted 2018 commodity prices shown for comparative purposes):

	2019 Forecast	2018 Forecast	Change
Commodity Prices:			
WTI Crude Oil (USD/bbl)	67.50	67.50	N/C
WTI to Edmonton CLS Basis Discount (CAD/bbl) *[1]*	19.43	16.27	+ 19%
CLS Crude Oil (CAD/bbl)	66.97	70.94	− 6%
NYMEX Natural Gas (USD/MMBtu)	3.00	2.95	+ 2%
DAWN Gas Daily Index (USD/MMBtu)	2.90	3.00	− 3%
CHICAGO City Gate Gas Daily Index (USD/MMBtu)	2.85	2.92	− 2%
MALIN Gas Monthly Index (USD/MMBtu)	2.45	2.43	+ 1%
SUMAS Gas Monthly Index (USD/MMBtu)	2.90	2.85	+ 2%
AECO 5A Gas Daily Index (USD/MMBtu)	1.60	1.28	+ 25%
Station 2 Gas NGX Daily Index (USD/MMBtu)	1.30	1.13	+ 15%
Exchange Rate (USD/CAD)	0.781	0.774	+ 1%

[1] Actual and estimated quarterly light oil differentials are as follows: Q119 $30.00 (Q118 $9.52), Q219 $23.00 (Q218 $10.05), Q319 $15.00 (Q318 $15.42), Q419 $10.00 (Q418 $30.00).

Kelt has prepared its 2019 financial guidance based on a capital expenditure budget of $270.0 million and the aforementioned forecasted commodity prices that result in the following:

- Estimated average production of 33,500 to 34,500 BOE per day, an increase of approximately 24% from estimated 2018 production levels;
- Production mix is expected to be weighted 47% to oil & NGLs and 53% to gas;
- Operating income is expected to be derived 85% from oil & NGLs and 15% from gas;
- Estimated funds from operations of $240.0 million ($1.23 per share, diluted); and
- Estimated bank debt, net of working capital as at December 31, 2019 of $225.0 million (0.9x forecasted 2019 funds from operations).

OPERATIONS UPDATE

Wembley/Pipestone area

Kelt previously reported that it has entered into agreements to process its gas from the Wembley/Pipestone area to Tidewater Midstream and Infrastructure Ltd.'s ("Tidewater") proposed newly constructed deep-cut gas processing plant. In October 2018, Tidewater reported that it had received approval from the Alberta Energy Regulator ("AER") to construct and operate the Pipestone Montney sour deep-cut gas processing complex targeting an in-service date of mid-2019. Kelt expects to bring production on-stream from eight to ten Montney wells at the time of start-up of the Tidewater gas plant.

Inga/Fireweed area

Kelt has commenced drilling operations at its first 24-well multi-layer Montney cube pad at Inga located at 05-09-088-23W6 ("Inga 5-9 Pad"). The Company expects to complete the drilling of all 24 wells by the fourth quarter of 2019. Wells will be completed and put on-stream six wells at a time with the first six wells expected to start producing in April 2019. Kelt recently received approval from the British Columbia Oil & Gas Commission ("BCOGC") to construct a pipeline from the Inga 5-9 pad to the Company's Inga gas facility located at 02-10-088-23W6 ("Inga 2-10 Facility").

At Fireweed, where the Company drilled five Montney wells at a pad located at B-33-I/94-A-12 ("Fireweed B-33-I Pad") in the summer of 2018, Kelt has now received approval from the BCOGC to construct a pipeline (first segment) from the Inga 2-10 Facility to a pad located at 02-23-088-23W6 ("2-23 Pad"). The approval from the BCOGC to construct the pipeline (second segment) from the 2-23 Pad to the Fireweed B-33-I Pad is expected prior to year-end. The Company expects to complete these five wells prior to spring break-up in 2019 and put the wells on production by the summer of 2019.

Oak/Flatrock area

At Oak, the second delineation well drilled in the area was tied into a third party facility in early November 2018. During the initial start-up of the well located at 02/13-13-087-18W6, the third-party operated facility had difficulty handling the fluid slugs from the well resulting in sporadic production volumes. Despite the irregular run times, it appears that the well is in an oilier part of the reservoir than the initial Oak well located at 02/06-02-086-18W6/02. During the last twenty four hours, on November 7th and 8th, the well produced average volumes of approximately 592 barrels per day of oil and 1.0 MMcf per day of raw gas. The well is expected to be constrained to existing compression limits at the third party facility of approximately 2.0 MMcf per day. Kelt is pleased with the results from the first two Montney wells drilled at Oak and expects to drill an additional four to six delineation wells in the area during 2019.

Pouce Coupe/Progress area

At Pouce Coupe, Kelt has completed all five wells from its most recent drilling pad and is currently bringing these wells on-stream. Four of the wells were drilled in the Lower-Middle Montney (D1) and Middle Montney (D2) zones, similar to previously drilled development wells in the area. Initial flow rates are very encouraging and appear to be at similar rates to the previous adjacent five-well pad that was brought on stream back in the first quarter of 2017. The fifth well was drilled in the Upper-Middle Montney (D4), a zone that has not previously been tested in the Pouce Coupe area. This well, which is located at 03/05-18-078-11W6 was drilled with a horizontal lateral of approximately 2,112 metres and was completed using the ball drop hydraulic fracturing method with 2,561 tonnes of proppant. Frac fluid was pumped at an average rate of 10.8 cubic metres per minute. After flowing the frac fluid back on an 11-day clean-up, the well, over the last 7 days produced average sales volumes of approximately 842 BOE per day (58% oil/NGLs and 42% gas). Kelt is pleased with the initial results from this well and will monitor the well for a longer term production profile, as this could unlock a significant amount of additional drilling inventory on the Company's lands in the area.

The Company is pleased with its operational results to date in 2018 and is well positioned financially to execute its capital program during the remainder of the year and into 2019. Kelt expects to exit 2018 with a net bank debt/funds from operations ratio of 1.0 times, reducing to 0.9 times by the end of 2019.

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 and 2019. 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", "execute", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "forecasted" 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 expected price realizations and future commodity prices; expectations for operating costs, transportation expenses and royalties, the cost and timing of future capital expenditures and expected well results; anticipated production volumes; the expected timing of wells drilled and completions in 2018 and 2019; and 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, 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; 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.

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.

Any reference in this press release to IP rates is useful in confirming the presence of hydrocarbons. IP rates are not determinative of the rates at which wells will continue production and decline thereafter and are not necessarily indicative of long term performance. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production for the Company.

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.

The following table reconciles cash provided by operating activities to adjusted funds from operations:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, unless otherwise indicated)	**2018**	2017	%	**2018**	2017	%
Cash provided by operating activities	**29,881**	24,394	22	**122,727**	78,764	56
Change in non-cash working capital	**16,871**	(1,638)	-1130	**16,085**	(4,679)	-444
Funds from operations	**46,752**	22,756	105	**138,812**	74,085	87
Settlement of decommissioning obligations	**124**	201	-38	**887**	1,028	-14
Adjusted funds from operations	**46,876**	22,957	104	**139,699**	75,113	86

Throughout this press release, reference is made “average realized prices”. “Average realized prices” are calculated based on “Kelt Revenue” divided by production and reflect the Company's realized selling prices plus the net benefit of oil blending/marketing activities, which commenced during the fourth quarter of 2017. "Kelt Revenue" is a non-GAAP measure and is calculated by deducting the cost of purchases from petroleum and natural gas revenue (before royalties). In addition to using its own production, the Company may purchase butane and crude oil from third parties for use in its blending operations, with the objective of selling the blended oil product at a premium. Marketing revenue from the sale of third party volumes is included in total petroleum and natural gas revenue as reported in the Consolidated Statement of Profit (Loss) and Comprehensive Income (Loss) in accordance with GAAP. 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 its average realized prices based on Kelt Revenue is more appropriate and useful, because the cost of third party volumes purchased to generate the 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 debt” is used synonymously with, and is equal to, “bank debt, net of working capital”. “Net 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 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 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).

“Production per million common shares” is calculated by dividing total production by the basic weighted average number of common shares outstanding rounded to millions, 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
Station 2	Spectra Energy receipt location
US$	United States dollars
CA$	Canadian dollars
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
CDE	Canadian Development Expenses, as defined by the *Income Tax Act* (Canada)
CEE	Canadian Exploration Expenses, as defined by the *Income Tax Act* (Canada)
GAAP	Generally Accepted Accounting Principles

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