



## **PRESS RELEASE**

(Stock Symbol "KEL" – TSX)

April 9, 2020

Calgary, Alberta

## **KELT PROVIDES UPDATE REGARDING ITS ANNUAL SHAREHOLDERS MEETING AND PROVIDES AN OPERATIONS UPDATE INCLUDING COST-CUTTING MEASURES**

Kelt Exploration Ltd. ("Kelt" or the "Company") announced today that its upcoming Annual Meeting of Shareholders ("Shareholders Meeting") will now be held at the Company's head office at Suite 300, 311 Sixth Avenue SW, Calgary, Alberta. The Shareholders Meeting date will continue to be on Wednesday, April 22, 2020 at 3:00 PM Mountain Daylight Time.

Due to the unprecedented public health impact of the coronavirus disease ("COVID-19") and the restrictions on mass gatherings implemented by the Government of Alberta, shareholders and guests are strongly encouraged not to attend the meeting in person. Kelt encourages all shareholders to vote in advance of the meeting by mail, telephone or internet in the manner set out in the meeting materials that have been sent to shareholders, copies of which can be accessed on Kelt's website and can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Attendees will be required to sign a confirmation letter that they have not travelled outside of Canada for a period of two weeks preceding the date of the meeting and have no symptoms of illness. In particular, shareholders from demographic groups at greater risk of disease are strongly encouraged not to attend. Additional attendance requirements may be added based on the changing nature of the public health advisories related to COVID-19. In the event that more than 15 people choose to attend in person, the Shareholders Meeting, by necessity, will be rescheduled to a later date.

A live audio webcast of the Shareholders Meeting will be available on Kelt's website at [www.keltexploration.com](http://www.keltexploration.com). A recording of the webcast will remain available on Kelt's website following the meeting. Kelt will not be providing a corporate presentation at the Shareholders Meeting.

### **Cost-Cutting Measures**

On March 17, 2020, Kelt announced that it had reduced its 2020 capital expenditure budget by \$80.0 million or 36%. In this regard, the Company currently has no immediate plans to start up drilling and completion operations on wells that currently remain in the budget until there is better clarity on future commodity prices which have been negatively impacted by global oil demand destruction as a result of the COVID-19 pandemic.

Kelt has implemented various measures to enhance its financial position in response to the current low oil price environment, in addition to the previously announced 36% reduction in capital expenditures for 2020. Effective May 1, 2020, employee compensation has been reduced by 10% and director fees have been suspended. As part of a continued focus on efficient operations, the Company is reviewing expenses throughout its operations and is working with suppliers and contractors to identify additional efficiencies and cost savings.

### **Operations Update**

During the first quarter of 2020, Kelt completed and brought on production the remaining six wells from its 24-well Montney cube development program at Inga. At Fireweed, the Company drilled a 5-well Montney pad and at Oak, Kelt drilled four Montney wells. The completion operations for all these wells have been put on hold temporarily during the current low commodity price environment.

Major infrastructure projects that commenced construction in 2019 are expected to be fully completed in April 2020. At Inga, construction of the 40-kilometre, 16-inch pipeline that will have the capability to transport 300 MMCF per day of natural gas from the Company's Inga 2-10 facility to the newly constructed AltaGas Townsend Deep-Cut Gas Plant ("Townsend Gas Plant") has been completed and is currently being pressure tested. Kelt expects to commence gas deliveries to the Townsend Gas Plant in late April 2020. At Fireweed, the Company has completed installation of its extensive infrastructure including a pipeline gathering system which connects the 5-well pad drilled during the first quarter of 2020. Kelt has begun to receive recoveries on the \$15.0 million credit under the British Columbia Infrastructure Royalty Credit Program that is associated with this infrastructure project at Fireweed. At Wembley, Kelt has completed the construction of a pipeline and related infrastructure that connects the Company's La Glace 14-29 facility to the Tidewater Pipestone Sour Deep-Cut Gas Processing Plant ("Pipestone Plant"). Kelt's production from La Glace that had previously been shut-in due to restricted access to the Ovintiv Sexsmith Gas Plant can now be diverted to the Pipestone Plant.

The Company continues to benefit from its strong hedge position (previously outlined in detail in Kelt's March 17, 2020 press release). However, the Company will monitor actual realized commodity pricing at the field level and may temporarily shut-in high productivity oil wells when the differentials to index prices widen. Kelt has been successful in securing third-party volumes for water injection at the Company's water disposal wells which will add incremental revenue.

Kelt is an oil and gas company based on Calgary, Alberta focused on the exploration, development and production of crude oil and natural gas resources in Western Canada.

### **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 "plans", "will", "may", "temporarily", "continue", "intends" and similar expressions are intended to identify forward-looking information or statements. This press release contains forward-looking statements pertaining to the following: management's plans to identify costs savings and operating efficiencies; future drilling and completion plans; the commencement of gas deliveries to the Townsend Gas Plant; potential for production shut-ins; and expected commodity pricing. These forward-looking statements are based on assumptions and are subject to numerous risks and uncertainties, many of which are beyond Kelt's control.

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., commodity pricing, 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.

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