



PRESS RELEASE

(Stock Symbol "KEL" – TSX)

April 23, 2020

Calgary, Alberta

KELT ANNOUNCES RESULTS OF SHAREHOLDERS' MEETING AND PROVIDES CORPORATE UPDATE

Kelt Exploration Ltd. ("Kelt" or the "Company") is pleased to announce that all matters presented for approval at the Annual Meeting of Shareholders held on April 22, 2020 have been fully authorized and approved. A total of 114,994,030 common shares, representing 61.23% of the common shares issued and outstanding, were represented in person or by proxy at the meeting. A brief description of the matters voted upon and the outcome of the votes is set forth below.

Fixing Number of Directors

By vote by way of a show of hands, an ordinary resolution to approve fixing the number of directors to be elected at the meeting at six (6), was approved.

Election of Directors

All of the nominees proposed as directors of the Company were duly elected as directors of the Company with votes cast by the shareholders present in person or represented by proxy at the meeting by way of a ballot, as follows:

	<u>Outcome of the Vote</u>	<u>Votes For</u>	<u>%</u>	<u>Withheld</u>	<u>%</u>
Robert J. Dales	Elected	109,006,635	95.95	4,598,629	4.05
Geraldine L. Greenall	Elected	113,228,909	99.67	376,355	0.33
William C. Guinan	Elected	111,373,747	98.04	2,231,517	1.96
Michael R. Shea	Elected	105,828,797	93.15	7,776,467	6.85
Neil G. Sinclair	Elected	109,009,635	95.95	4,595,629	4.05
David J. Wilson	Elected	113,578,220	99.98	27,044	0.02

Appointment of Auditor

By vote by way of a show of hands, an ordinary resolution to approve the appointment of PricewaterhouseCoopers LLP, as the auditors of the Company, was approved.

Corporate Update

Kelt is providing a corporate update in response to the current market conditions resulting from the COVID-19 pandemic and decreased commodity prices.

Kelt's highest priority remains the health and safety of its employees, partners and the communities where it operates. The Company has introduced measures to protect the well-being of these stakeholders and is proud of the dedication of its workforce to maintain safe operations and business continuity in a challenging environment.

The unprecedented impact to global oil demand destruction resulting from the COVID-19 pandemic, as well as excess oil supplies, as many oil producing nations sought to gain global market share, has resulted in a collapse in crude oil prices around the world. Many regions around the world may be facing the prospect of negative oil prices in the near term as access to physical storage facilities becomes unavailable.

Further to previously announced capital expenditure reductions and cost-cutting measures, Kelt continues to preserve shareholder value in the following manner:

- In addition to the Company's existing hedge book, Kelt has entered into new hedge contracts by fixing the sales price of Edmonton MSW light oil for the six month period from July 1, 2020 to December 31, 2020 on 3,000 barrels per day at an average fixed price of CA\$31.36 per barrel (the implied underlying indices were: US\$33.40 per barrel for WTI oil, US\$11.00 per barrel for the WTI-MSW differential and CA\$1.40 for the CAD/USD exchange rate);
- Kelt is taking measures to reduce production levels to protect against selling oil at negative margins and to preserve value;
- Kelt expects to apply for the Federal Government's Canada Emergency Wage Subsidy (CEWS) whereby as a Canadian employer whose business has been affected by COVID-19, the Company would be eligible for a subsidy of 75% of employee wages (up to a maximum of \$847 per employee per week) for up to 12 weeks, retroactive from March 15, 2020, to June 6, 2020;
- Kelt has obtained approval from its lenders to extend the revolving period under its credit facility agreement from April 30, 2020 to May 31, 2020 with respect to determining the borrowing base available under its revolving borrowing base line; and
- Kelt expects to pursue additional opportunities to access credit support during this uncertain economic environment created by the COVID-19 crisis that is being offered by the Government of Canada, through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) as announced by the Government on April 17, 2020.

As a result of the significant ongoing uncertainty in market conditions, Kelt is withdrawing its 2020 corporate guidance previously provided in the Company's news release on March 17, 2020 and in its management's discussion and analysis for the year ended December 31, 2019 dated March 9, 2020. In this regard, the Company currently has no immediate plans to start up drilling and completion operations on wells that currently remain in the capital expenditure 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 will continue to reassess its ability to reasonably estimate and provide annual guidance and plans to continue to provide corporate updates during this period of heightened volatility and uncertainty.

About Kelt

Kelt is an oil and gas company based in 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: future commodity prices including the impact on demand from the COVID-19 pandemic; expected capital expenditure reductions and cost-cutting measures; timing of future drilling and completion operations; potential measures to reduce production levels at negative margins; and the potential assistance from the credit support and wage subsidy programs available through the Government of Canada in response to COVID-19. 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.

Contact Information

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