PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
March 10, 2015
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the quarter and year ended December 31, 2014. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended December 31			Year ended December 31		
(CAD$ thousands, except as otherwise indicated)	**2014**	2013	%	**2014**	2013	%
Revenue, before royalties and financial instruments	**54,396**	18,543	193%	**214,691**	46,656	360%
Funds from operations(1)	**29,664**	9,396	216%	**115,503**	23,656	388%
Basic ($/ common share)(1)	**0.23**	0.09	156%	**0.95**	0.32	197%
Diluted ($/ common share)(1)	**0.23**	0.09	156%	**0.93**	0.32	191%
Profit (loss) and comprehensive income (loss)	**1,256**	(1,838)	-	**10,628**	(5,115)	-
Basic ($/ common share)	**0.01**	(0.02)	-	**0.09**	(0.07)	-
Diluted ($/ common share)	**0.01**	(0.02)	-	**0.09**	(0.07)	-
Total capital expenditures, net of dispositions	**99,466**	231,329	-57%	**423,900**	329,143	29%
Total assets	**908,709**	485,201	87%	**908,709**	485,201	87%
Bank debt	**46,929**	-	-	**46,929**	-	-
Working capital deficiency (surplus)	**57,501**	(20,500)	-	**57,501**	(20,500)	-
Shareholders' equity	**619,639**	392,872	58%	**619,639**	392,872	58%
Weighted average shares outstanding (000's)						
Basic	**126,760**	99,244	28%	**121,779**	74,554	63%
Diluted	**128,512**	100,242	28%	**124,296**	75,093	66%

(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, 2014 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 10, 2015.

Kelt's operating results for the quarter and year ended December 31, 2014 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended December 31			Year ended December 31		
	2014	2013	%	**2014**	2013	%
Average daily production						
Oil (bbls/d)	**4,691**	809	480%	**3,413**	516	561%
NGLs (bbls/d)	**1,037**	487	113%	**924**	297	211%
Gas (mcf/d)	**58,984**	26,660	121%	**50,516**	18,888	167%
Combined (BOE/d)	**15,559**	5,739	171%	**12,756**	3,961	222%
Production per million common shares (BOE/d)(1)	**123**	58	112%	**105**	53	98%
Average realized prices, after financial instruments						
Oil ($/bbl)	**74.11**	81.35	-9%	**85.53**	86.77	-1%
NGLs ($/bbl)	**47.48**	57.00	-17%	**59.73**	52.76	13%
Gas ($/mcf)	**3.81**	3.97	-4%	**4.75**	3.51	35%
Operating netbacks(1) ($/BOE)						
Oil and gas revenue	**38.00**	35.12	8%	**46.11**	32.27	43%
Cash premium on financial instruments	**-**	-	-	**-**	0.16	-100%
Realized gain (loss) on financial instruments	**1.96**	(0.38)	-	**(0.08)**	(0.40)	-80%
Average realized price, after financial instruments	**39.96**	34.74	15%	**46.03**	32.03	44%
Royalties	**(4.55)**	(4.71)	-3%	**(6.11)**	(4.37)	40%
Production and transportation expense	**(13.86)**	(11.36)	22%	**(14.30)**	(10.69)	34%
Operating netback(1)	**21.55**	18.67	15%	**25.62**	16.97	51%
Drilling activity						
Total wells	**9**	6	50%	**36**	19	89%
Working interest wells	**5.4**	4.2	29%	**27.1**	12.2	122%
Success rate on working interest wells	**100%**	100%	0%	**100%**	100%	0%
Undeveloped land						
Gross acres	**494,361**	299,142	65%	**494,361**	299,142	65%
Net acres	**318,743**	184,082	73%	**318,743**	184,082	73%
Reserves – proved plus probable						
Oil (mbbls)	**23,474**	11,808	99%	**23,474**	11,808	99%
NGLs (mbbls)	**10,800**	5,002	116%	**10,800**	5,002	116%
Gas (mmcf)	**389,014**	254,329	53%	**389,014**	254,329	53%
Combined (mBOE)	**99,110**	59,198	67%	**99,110**	59,198	67%

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

MESSAGE TO SHAREHOLDERS

Kelt Exploration Ltd. ("Kelt" or the "Company") is pleased to report its fourth quarter interim results and full year results to shareholders for the three months and twelve months ended December 31, 2014.

Kelt achieved record production levels in the fourth quarter of 2014. Average production for the three months ended December 31, 2014 was 15,559 BOE per day, up 171% from the average production of 5,739 BOE per day during the fourth quarter of 2013. On a production per share basis, the fourth quarter of 2014 was up 112% compared to the fourth quarter of 2013. Daily average production in the fourth quarter of 2014 was 12% higher than the average production of 13,872 BOE per day in the third quarter of 2014.

For the three months ended December 31, 2014, revenue was $54.4 million, funds from operations was $29.7 million ($0.23 per share, diluted) and profit was $1.3 million ($0.01 per share, diluted). For the year ended December 31, 2014, revenue was $214.7 million, funds from operations was $115.5 million ($0.93 per share, diluted) and profit was $10.6 million ($0.09 per share, diluted). At December 31, 2014, bank debt, net of working capital was $104.4 million.

During the three months ended December 31, 2014, Kelt drilled 9 gross (5.4 net) oil and gas wells, with a 100% success rate. During the year ended December 31, 2014, Kelt drilled 36 gross (27.1 net) oil and gas wells, with a 100% success rate.

Net capital expenditures incurred during the year were $423.9 million of which $256.3 million was exploration and development expenditures and $167.6 million was for the acquisition of Capio Exploration Ltd. Exploration and development expenditures of $99.5 million in the fourth quarter of 2014 are expected to contribute to 2015 production additions as the wells are brought on-stream.

In February 2015, Kelt announced that it had entered into an agreement with Artek Exploration Ltd. ("Artek"), pursuant to which Kelt will acquire all of the issued and outstanding common shares of Artek on the basis of 0.34 of a Kelt common share for each Artek common share. The acquisition will be effected by way of a statutory plan of arrangement (the "Artek Arrangement"). Based on the volume-weighted average trading price of the Kelt common shares for the five trading days ended February 20, 2015 of $8.10 on the Toronto Stock Exchange ("TSX"), the deemed acquisition price is approximately $307 million, comprised of the issuance of approximately 26.9 million Kelt common shares and the assumption of an estimated $89.5 million of net debt as of February 20, 2015, which includes estimated associated transaction costs of approximately $5.6 million.

Completion of the Artek Arrangement is anticipated to occur on or around April 16, 2015. The acquisition of Artek consolidates the majority of Kelt's land acreage in its Inga-Fireweed-Stoddart, British Columbia core area to 100% and is consistent with the Company's strategy to operate and control all of its major core exploration and development prospects. In addition, Kelt's acquisition of Artek will result in 100% ownership by Kelt in key infrastructure including compression facilities and pipelines in the area. The net present value of Artek's Inga-Fireweed-Stoddart reserves at December 31, 2014 represented approximately 90% of Artek's total corporate reserves value.

Key attributes of Kelt's acquisition of Artek include:

- Accretion to existing Kelt shareholders on a reserves per share, production per share, funds from operations per share and net asset value per share basis;
- Artek's reserves at December 31, 2014 consist of 24.0 million BOE of proved reserves and 46.4 million BOE of proved plus probable reserves;
- Acquisition cost, including future development capital costs and estimated associated transaction costs, is $20.46 per BOE for proved reserves and $12.89 per BOE for proved plus probable reserves;
- Artek's January 2015 production is estimated to be approximately 5,400 BOE per day; and
- Artek's land holdings at December 31, 2014 were 262,254 net acres of which 202,967 net acres were undeveloped.

In March 2015, Kelt announced that it had increased its previously announced non-brokered private placement of common shares, issued on a "flow-through" basis in respect of Canadian development expenses at a price of $8.60 per share, from $28.4 million to $33.4 million (the "Private Placement"). Proceeds from the Private Placement will be used to partially finance the Company's drilling and completion expenditures during the remainder of 2015. Pursuant to the Private Placement, the Company has issued 3.3 million flow-through common shares for gross proceeds of $28.4 million and has received commitments from subscribers to purchase an additional 581,400 flow-through common shares for aggregate gross proceeds of $5.0 million, which is expected to close on or about March 16, 2015.

Certain directors, officers and employees of the Company have been issued an aggregate of 1.7 million flow-through common shares for gross proceeds of $14.7 million representing approximately 44% of the aggregate issue.

After giving effect to the Artek Arrangement and after giving effect to the Private Placement, Kelt's pro-forma bank debt, net of working capital at December 31, 2015 is estimated to be $198.0 million or 1.7 times estimated pro-forma 2015 funds from operations.

In light of the current energy business environment with much lower oil and gas prices compared to 2014, Kelt has taken steps to take advantage of acquisition opportunities and has positioned itself financially to create sufficient financial flexibility to carry out its operations during the remainder of the year. Management is excited about the Company's prospects and looks forward to updating shareholders with 2015 first quarter results on or about May 15, 2015.

2015 GUIDANCE

The oil and gas industry around the world is currently facing a challenging environment after the recent precipitous decline in global crude oil prices. Due to market instability and volatile commodity prices, many oil and gas companies are reducing their 2015 capital spending plans. Ultimately, lower capital investment in oil and gas drilling can be expected to balance the supply and demand ratio. Kelt believes that the current business environment creates opportunities to add value at a reasonable cost and is optimistic about the long-term outlook for oil and gas commodity prices. The Company is opportunity driven and is confident that it can grow its production base by building on its current inventory of development projects and by adding new exploration prospects.

The table below outlines the Company's financial and operating guidance for 2015, as well as the pro-forma impact of the Artek Arrangement and the Private Placement:

(CAD$ millions, except as otherwise indicated)	2015 Guidance	2015 Pro-forma	Percent Change
Average Production			
Oil (bbls/d)	5,050	6,250	24%
NGLs (bbls/d)	1,330	2,000	50%
Gas (mmcf/d)	61.32	70.50	15%
Combined (BOE/d)	16,600	20,000	20%
Oil / NGLs / Gas production weighting	30%/8%/62%	31%/10%/59%	-
Forecasted Average Commodity Prices			
WTI oil price (USD/bbl)	59.50	59.50	-
NYMEX natural gas price (USD/MMBTU)	3.25	3.25	-
AECO natural gas price ($/GJ)	3.10	3.10	-
Capital Expenditures			
Drilling & completions	90.0	88.0	-2%
Facilities, pipeline & well equipment	30.0	30.0	-
Land, seismic & property "tuck-in" acquisitions	32.0	32.0	-
Artek Arrangement	-	307.0	-
Total Capital Expenditures	152.0	457.0	201%

(CAD$ millions, except as otherwise indicated)	2015 Guidance	2015 Pro-forma	Percent Change
Funds from operations	88.0	114.4	30%
Per share, diluted	0.68	0.75	10%
Bank debt, net of working capital, at year-end	172.0	198.0	15%
Debt/Trailing funds from operations ratio(1)	2.0 x	1.7 x	-
Weighted average common shares outstanding (MM)	126.9	149.9	18%
Common shares issued & outstanding (MM)	126.9	158.4	25%

(1) Debt/Trailing funds from operations ratio is calculated using estimated bank debt, net of working capital, at December 31st of the year divided by estimated funds from operations for that year.

Kelt has a revolving committed term credit facility (the "Credit Facility") with a syndicate of financial institutions, and as at December 31, 2014, the authorized borrowing amount was $235.0 million. The Credit Facility is available for a revolving period of 364 days, maturing on May 1, 2015, and may be extended for an additional 364 days at the discretion of the lenders, with a term-out to April 29, 2016 if not renewed. The Company expects that the lenders will extend the Credit Facility for an additional 364 days upon maturity and that the lenders will review the authorized borrowing amount on or before May 1, 2015. The borrowing base is determined, in part, by reference to the Company's reserves. The Company believes that an increase in the borrowing base will be supported by the Artek Arrangement and the significant increase in the Company's reserves as per the December 31, 2014 reserves evaluation.

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 herein.

The information set out herein under the heading "2015 Guidance" 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 2015. 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 Company's expected future financial position, operating results and its planned 2015 capital expenditure budget; the amount and timing of future development capital expenditures; the extent of Kelt's reserves and resources; the expected extension of the Company's Credit Facility; the pro-forma effect of the 2015 Private Placement; the expected closing of the Artek Arrangement and the pro-forma effect of the Artek Arrangement on the Company's financial position and average daily production, as well as the anticipated accretive impact of the Artek Arrangement on reserves per share, production per share, funds from operations per share, and net asset value per share. 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.

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.

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 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 settlement of decommissioning obligations and 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

M	thousand
MM	million
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
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
$	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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