PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
August 8, 2013
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the three and six months ended June 30, 2013. Summary of financial results are as follows:

(CA$ thousands, except as otherwise indicated)	Three months ended June 30, 2013	Six months ended June 30, 2013
Revenue, before royalties and financial instruments	11,860	15,725
Funds from operations(1)	6,608	8,787
Basic ($/ common share)(1)	0.08	0.16
Diluted ($/ common share)(1)	0.08	0.16
Profit (loss)	(737)	(877)
Basic ($/ common share)	(0.01)	(0.02)
Diluted ($/ common share)	(0.01)	(0.02)
Capital expenditures, prior to completion of the Arrangement	424	23,280
Capital expenditures, subsequent to completion of the Arrangement	14,952	32,306
Total capital expenditures	15,376	55,586
Total assets	229,370	229,370
Bank debt	-	-
Working capital surplus	58,058	58,058
Shareholders' equity	191,256	191,256
Weighted average common shares outstanding (000's)		
Basic	83,379	54,529
Diluted	83,659	54,630
Common shares outstanding (000's)		
Basic	84,126	84,126
Fully Diluted	87,709	87,709

(1) Refer to advisory regarding non-GAAP measures

Financial Statements

Kelt's unaudited interim financial statements and related notes for the quarter ended June 30, 2013 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 August 8, 2013.

Kelt's operating results for the three and six months ended June 30, 2013 are summarized in the table below:

(CA$ thousands, except as otherwise indicated)	Three months ended June 30, 2013	Six months ended June 30, 2013
Average daily production		
Oil (bbls/d)	523	342
NGLs (bbls/d)	258	171
Gas (mcf/d)	19,894	13,211
Combined (BOE/d)(2)	4,097	2,715
Production per million common shares (BOE/d)	49	50
Average realized prices, after financial instruments		
Oil ($/bbl)	93.28	92.03
NGLs ($/bbl)	40.70	47.94
Gas ($/mcf)	3.69	3.68
Operating netbacks(1) ($/BOE)		
Oil and gas revenue	31.81	32.01
Realized gain on financial instruments	0.61	0.47
Average realized price, after financial instruments	32.42	32.48
Royalties	(2.54)	(2.98)
Production and transportation expense	(11.46)	(10.86)
Operating netback(1)	18.42	18.64
Undeveloped land		
Gross acres	142,973	142,973
Net acres	80,837	80,837

(1) Refer to advisory regarding non-GAAP measures

(2) Average daily production reported for the six months ended is calculated over the 181 day period ended June 30, 2013. Production for the 124 day period following commencement of active operations on February 27, 2013, averaged 3,963 BOE per day.

Message to Shareholders

The Company is pleased to report its second quarter interim results to shareholders for the period ended June 30, 2013.

Kelt was incorporated on October 11, 2012 for the purpose of participating in a Plan of Arrangement between ExxonMobil Canada Ltd., ExxonMobil Celtic ULC, Celtic Exploration Ltd. and Kelt (the "Arrangement"). The Arrangement was completed on February 26, 2013, at which time Kelt commenced active operations.

During the second quarter of 2013, production averaged 4,097 BOE per day, up 14% from the average production of 3,588 BOE per day for the 33-day period ended March 31, 2013.

For the three months ended June 30, 2013, revenue was $11.9 million and funds from operations was $6.6 million. At June 30, 2013, Kelt did not have any outstanding bank debt on its $40.0 million demand loan facility with a chartered bank in Canada. The working capital surplus position, including cash and cash equivalents, at the end of the second quarter was $58.1 million.

On August 1, 2013, Kelt announced that it had increased its capital expenditure budget for 2013 by $70.0 million, to $147.0 million. In addition to adding new drilling locations to the budget, the Company also included into the budget, a property acquisition in the Fireweed area of B.C. for $15.5 million, before adjustments. The Fireweed asset is in close proximity to the Company's core area at Inga, and will add approximately 600 BOE per day of production. Closing of the Fireweed acquisition is expected to occur on or around August 9, 2013.

Subsequent to the quarter-end and subsequent to the dissemination of its August 1, 2013 press release referred to above, on August 6, 2013, the Company announced that it had entered into an agreement with a syndicate of underwriters respecting a bought deal private placement, that would, upon closing, result in aggregate gross proceeds of $99.6 million. Pursuant to the bought deal private placement, 10.0 million common shares will be issued at a price of $8.00 per share for gross proceeds of $80.0 million and 2.0 million flow-through common shares will be issued at a price of $9.80 per share. Kelt has also granted the underwriters an option, exercisable for a period commencing at closing of the offering and ending 30 days following closing of the offering, to purchase an additional 1.5 million common shares at the same common share offering price of $8.00. Certain insiders are participating for 500,000 common shares and 500,000 flow-through common shares for an aggregate subscription price of $8.9 million. The private placement is subject to certain conditions including normal regulatory approvals and specifically, the approval of the Toronto Stock Exchange. Closing of the private placement is expected to occur on or around August 27, 2013.

As at August 7, 2013, the Company has 84.1 million common shares issued and outstanding. Directors and officers of Kelt own (including shares that they exercise control or direction over) 19.5 million common shares or 23.2% of the total shares currently outstanding.

Entering the third quarter of 2013, Kelt is well positioned financially and expects that it will have sufficient financial flexibility to carry out its operations during the year and pursue new opportunities as they arise.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

Certain information with respect to the Company contained herein, including expectations, beliefs, plans, goals, objectives, assumptions, information and statements about future events, conditions, results of operations, performance, Kelt's planned capital expenditure program, or management's assessment of future potential, contains forward-looking statements. In particular, forward-looking statements included in this MD&A include, but are not limited to: the expected closing of the Fireweed property acquisition, and the expected closing of the private placement. These forward-looking statements are based on assumptions and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve estimates, environmental risks, competition from other explorers, stock market volatility, and ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

Kelt's actual results, performance or achievement could differ materially from those expressed or implied by these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur. As a result, undue reliance should not be placed on forward-looking statements.

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 netback” is calculated by deducting royalties, production expenses and transportation expenses from oil and gas revenue. “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 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.

MEASUREMENTS AND ABBREVIATIONS

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.

bbls	barrels
mcf	thousand cubic feet
MMBTU	million British Thermal Units
AECO-C	Alberta Energy Company “C” Meter Station of the Nova Pipeline System
WTI	West Texas Intermediate
NYMEX	New York Mercantile Exchange

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