



**PRESS RELEASE:** For immediate dissemination

## **KELT COMPLETES ACQUISITION OF ASSETS AT FIREWEED**

**CALGARY, Alberta, August 9, 2013 ("KEL" - TSX)** – Kelt Exploration Ltd. ("Kelt" or the "Company") has closed its previously announced acquisition of assets at Fireweed, adjacent to the Company's core producing area at Inga, in northeastern British Columbia, for cash consideration of \$15.5 million, before closing adjustments. The acquisition has an effective date of April 1, 2013. The Company's available bank credit line has now been increased to \$56.0 million.

### Summary of Assets Acquired

- Current net production is estimated to be approximately 600 BOE per day - 79% natural gas and 21% natural gas liquids.
- Net operating income for the first six months of 2013 was approximately \$1.9 million.
- Petroleum and natural gas reserves to be acquired were evaluated by an independent third party effective December 31, 2012. Proved developed producing reserves were 1.23 million BOE, with no associated future development costs;
- An operated compression and dehydration facility with approximately 16 mmcf per day of gross natural gas capacity and 25 kilometres of pipeline that adds to the Company's infrastructure in the area; and
- The Fireweed assets are a complementary fit with a contiguous land position adjacent to Kelt's Inga exploration and development core area, including 11,227 net acres (15.8 net sections) of land (6,299 net acres with Doig mineral rights and 7,097 net acres with Montney mineral rights).

The Fireweed acquisition adds to Kelt's inventory of horizontal drilling locations targeting the Doig formation and provides the Company with additional acreage expanding its land base for potential exploration in the Montney formation. After giving effect to the acquisition, in its Inga/Fireweed core area, Kelt will own 26,862 net acres (40 net sections) of land with Doig rights and 32,320 net acres (48 net sections) of land with Montney rights.

Kelt expects to benefit from potential operational synergies as a result of the acquisition, and at the same time expand its land and infrastructure footprint in the Inga/Fireweed area.

## **About Kelt**

Kelt is a Calgary, Alberta, Canada-based oil and gas company focused on exploration, development and production of crude oil and natural gas resources, primarily in west central Alberta and northeastern British Columbia. Kelt's land holdings are located in three core areas: (a) a natural gas property at Grande Cache, Alberta; (b) a liquids-rich natural gas property at Inga/Fireweed, British Columbia; and (c) an oil prospect at Karr, Alberta.

## **Cautionary Statement and Advisory Regarding Forward-Looking Statements and Information**

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, or management's assessment of future potential, contain forward-looking statements. In particular, forward-looking statements contained in this press release include, but are not limited to: the resultant operational synergies from the Fireweed acquisition. 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.

Statements relating to "reserves" are deemed to be forward looking statements as they involve the implied assessment, based on current estimates and assumptions that the reserves can be profitably produced in the future.

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.

## **Non-GAAP Measures**

This press release 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 readers. 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. Operating income is used by Kelt as a key measure of performance and is not intended to represent profits nor should it be viewed as an alternative to cash provided by operating activities, 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 press release include crude oil and field condensate. References to natural gas liquids (“NGLs”) include pentane, butane, propane, and ethane. References to gas in this press release include natural gas and sulphur. A million cubic feet has been abbreviated as “mmcf”.

### **Further Information**

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