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

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the three and nine months ended September 30, 2015. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2015**	2014	%	**2015**	2014	%
Revenue, before royalties and financial instruments	**45,015**	61,136	-26%	**136,529**	160,295	-15%
Funds from operations(1)	**16,601**	31,984	-48%	**45,282**	86,069	-47%
Basic ($/ common share)(1)	**0.10**	0.25	-60%	**0.30**	0.72	-58%
Diluted ($/ common share)(1)	**0.10**	0.25	-60%	**0.30**	0.70	-57%
Profit (loss) and comprehensive income (loss)	**(22,135)**	1,185	-	**(46,066)**	9,372	-
Basic ($/ common share)	**(0.13)**	0.01	-	**(0.31)**	0.08	-
Diluted ($/ common share)	**(0.13)**	0.01	-	**(0.31)**	0.08	-
Total capital expenditures, net of dispositions	**34,316**	246,942	-86%	**453,921**	324,434	40%
Total assets	**1,365,007**	820,241	66%	**1,365,007**	820,241	66%
Bank debt, net of working capital	**182,257**	37,219	390%	**182,257**	37,219	390%
Shareholders' equity	**939,644**	614,384	53%	**939,644**	614,384	53%
Weighted average shares outstanding (000's)						
Basic	**167,935**	126,681	33%	**150,185**	120,100	25%
Diluted	**168,706**	129,033	31%	**151,236**	122,373	24%

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

FINANCIAL STATEMENTS

Kelt's unaudited condensed consolidated interim financial statements and related notes for the quarter ended September 30, 2015 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 November 10, 2015.

Kelt's operating results for the three and nine months ended September 30, 2015 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2015**	2014	%	**2015**	2014	%
Average daily production						
Oil (bbls/d)	**4,803**	3,913	23%	**5,059**	2,982	70%
NGLs (bbls/d)	**1,685**	1,173	44%	**1,520**	886	72%
Gas (mcf/d)	**73,243**	52,713	39%	**68,929**	47,662	45%
Combined (BOE/d)	**18,695**	13,872	35%	**18,067**	11,812	53%
Production per million common shares (BOE/d)(1)	**111**	110	1%	**120**	98	22%
Average realized prices, after financial instruments						
Oil ($/bbl)	**52.15**	89.82	-42%	**52.61**	91.58	-43%
NGLs ($/bbl)	**19.28**	62.62	-69%	**27.64**	64.56	-57%
Gas ($/mcf)	**2.70**	4.43	-39%	**2.85**	5.14	-45%
Operating netbacks(1) ($/BOE)						
Oil and gas revenue	**26.17**	47.91	-45%	**27.68**	49.71	-44%
Realized gain (loss) on financial instruments	**(0.46)**	(0.42)	10%	**0.26**	(0.99)	-
Average realized price, after financial instruments	**25.71**	47.49	-46%	**27.94**	48.72	-43%
Royalties	**(2.40)**	(7.24)	-67%	**(2.84)**	(6.80)	-58%
Production expense	**(10.03)**	(11.82)	-15%	**(11.78)**	(12.14)	-3%
Transportation expense	**(1.76)**	(2.62)	-33%	**(2.47)**	(2.38)	4%
Operating netback(1)	**11.52**	25.81	-55%	**10.85**	27.40	-60%
Drilling Activity						
Total wells	**4**	11	-64%	**11**	27	-59%
Working interest wells	**4.0**	11.0	-64%	**10.1**	23.5	-57%
Success rate on working interest wells	**100%**	100%	0%	**100%**	100%	0%
Undeveloped land						
Gross acres	**666,620**	416,412	60%	**666,620**	416,412	60%
Net acres	**537,318**	274,188	96%	**537,318**	274,188	96%

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

MESSAGE TO SHAREHOLDERS

The Company is pleased to report its third quarter interim results to shareholders for the three months ended September 30, 2015.

Average production for the three months ended September 30, 2015 was 18,695 BOE per day, up 35% from average production of 13,872 BOE per day during the third quarter of 2014. On a production per share basis, third quarter 2015 production was up 1% compared to the same period in 2014. Kelt had production capability of approximately 21,800 BOE per day during the third quarter of 2015, however, production was constrained due to third party pipeline restrictions, facility downtime and discount gas price markets that resulted in an average of approximately 3,200 BOE per day of production downtime during the quarter. The Company believes that many of the third party pipeline constraints plaguing our industry in the past year will be remedied in the fourth quarter of 2015. In addition, in order to further strengthen access to alternative markets, Kelt has entered into new transportation agreements on the Alliance pipeline, tapping into Chicago priced gas markets effective December 1, 2015.

For the three months ended September 30, 2015, revenue, before royalties and financial instruments was

$45.0 million, funds from operations was $16.6 million ($0.10 per share, diluted) and the net loss was $22.1 million ($0.13 per share, diluted). Production expense averaged $10.03 per BOE during the quarter ended September 30, 2015, down 26% from $13.58 per BOE reported during the second quarter ended June 30, 2015, and down 15% from $11.82 per BOE during the third ended September 30, 2014. During the current quarter, the Company began to realize the benefit of its operational initiatives and previous expenditures to construct and acquire strategic infrastructure, resulting in a significant reduction in per unit production expenses. The Company has activated water injection facilities in its core operating areas, reducing high trucking and salt water disposal costs. In addition, initial integration costs associated with corporate acquisitions, including the acquisition of Artek Exploration Ltd. during the second quarter of 2015 and the acquisition of Capio Exploration Ltd. during the third quarter of 2014, have been eliminated. In addition, Kelt has streamlined certain processes after taking over operatorship of the newly acquired properties.

At September 30, 2015, bank debt, net of working capital was $182.3 million representing 61% of its $300.0 million bank credit facility. The Company has substantially completed the interim review of its credit facility with its lending syndicate and expects to finalize the terms in mid-November. The Company expects that the total credit facility commitment will remain unchanged at $300.0 million, with an annual revolving period expiring on April 30, 2016. There are no expected changes to covenants or applicable margins on borrowing costs. Current availability under the credit facility is expected to be $275.0 million, with additional funds available up to the total credit facility commitment of $300.0 million subject to approval of the lending syndicate. Bank debt, net of working capital, at the end of 2016 is forecasted to be $197.0 million, leaving the Company with sufficient unused borrowing capacity and providing financial flexibility.

Net capital expenditures incurred during the third quarter were $34.3 million, of which $27.1 million was for drilling and completing wells.

Kelt had an active drilling program in both British Columbia and Alberta, drilling 4 gross (4.0 net) wells during the third quarter. At Fireweed, B.C., the Company drilled and completed a well in the Montney formation. During the operation, Kelt experienced difficulty getting the liner to bottom resulting in only stimulating two-thirds of the well. However, the Company is encouraged with the test results, as on a relative stimulated basis, it appears to be similar to previously drilled Montney wells completed in the area using slick water fractures. At Inga, B.C., Kelt drilled a well in the Doig formation that is awaiting completion with 41-stage fractures planned.

In addition, the Company drilled and completed two wells at Pouce Coupe, Alberta, in the Gordondale Montney “B” oil pool. One of these wells has been drilled in a second unit within the middle Montney zone and depending on results could double Kelt’s well inventory on its lands within the oil pool. During the third quarter, Kelt also completed three wells in Alberta that were previously drilled in the first quarter.

Kelt continues to be active at Crown land sales where in recent months it has assembled a significant land position on a new Montney play in the Progress area of Alberta. The Company has an interest in 24,480 gross acres (38 gross sections) and 15,360 net acres (24 net sections) on the play. During the fourth quarter of 2014, Kelt, together with a 50% partner, drilled a well in the Progress area targeting the Montney located at 15-13-078-09W6. Kelt was encouraged with the results of the well test upon completion and expects to put this well on production before the end of November 2015. Crown land sales in Alberta have experienced a precipitous drop in prices paid per acre and Kelt expects to continue to take advantage by acquiring new lands in its core operating areas at these lower prices.

In light of the current energy business environment with much lower oil and gas prices, Kelt has capitalized on acquisition opportunities, taken steps to reduce costs and has positioned itself financially to create sufficient financial flexibility to carry out its operations during the remainder of the year and throughout 2016. Management is excited about the Company’s prospects and looks forward to updating shareholders with 2015 fourth quarter and annual results in March 2016.

OUTLOOK AND GUIDANCE

The oil and gas industry in North America continues to operate in a challenging commodity price environment as a result of low oil and gas prices. Due to market instability and volatile commodity prices, many oil and gas companies have reduced their capital spending plans. Ultimately, lower capital investment in oil and gas drilling can be expected to balance the supply and demand ratio. Kelt is optimistic about the long-term outlook for oil and gas commodity prices.

Kelt believes that the current business environment creates opportunities to add value at a reasonable cost. The cost to acquire land at Crown sales in the Company's core operating areas has dropped significantly and service related costs to drill and complete wells have also declined substantially. In order to capitalize on opportunities in the current energy business environment, Kelt continues to evaluate and acquire tuck-in properties in and around its core areas and is active at Crown land sales. The Company remains opportunity driven and is confident that it can continue to 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 updated forecasted financial and operating guidance for 2015 and new guidance for 2016:

(CA$ millions, except as otherwise indicated)	**2016 Forecast**	2015 Forecast	% Change
Average Production			
Oil (bbls/d)	**5,800**	5,250	+10%
NGLs (bbls/d)	**2,200**	1,750	+26%
Gas (mmcf/d)	**84.00**	72.00	+17%
Combined (BOE/d)	**22,000**	19,000	+16%
Production per million common shares (BOE/d)	**130**	123	+6%
Forecasted Average Commodity Prices			
WTI oil price (USD/bbl)	**56.00**	51.00	+10%
NYMEX natural gas price (USD/MMBTU)	**2.95**	2.70	+9%
AECO natural gas price ($/GJ)	**2.95**	2.60	+13%
Forecasted Average Exchange Rate (US$/CA$)	**0.763**	0.784	-3%
Capital Expenditures			
Drilling & completions	**75.0**	100.0	-25%
Facilities, pipeline & well equipment	**22.0**	47.0	-53%
Land, seismic & property "tuck-in" acquisitions	**13.0**	34.0	-62%
Corporate Acquisition	**-**	314.0	-
Total Capital Expenditures	**110.0**	495.0	-78%
Funds from operations	**110.0**	68.0	+62%
Per share, diluted	**0.65**	0.44	+48%
Bank debt, net of working capital, at year-end	**197.0**	197.0	0%
Debt/Trailing funds from operations ratio[1]	**1.8 x**	2.9 x	-38%
Weighted average common shares outstanding (MM)	**168.7**	154.8	+9%
Common shares issued & outstanding (MM)	**168.7**	168.7	0%

(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's Board of Directors has approved a capital expenditure budget for 2016 in the amount $110.0 million, a reduction of $71.0 million or 39% compared to 2015 capital spending plans, excluding the corporate acquisition for $314.0 million completed in 2015. The Company plans to drill 13 gross (12.5 net) wells in 2016 compared to 18 gross (16.1 net) wells in 2015.

Forecast average production of 22,000 BOE per day in 2016 is estimated to be weighted 36% to oil and NGLs and 64% to gas. This compares to a similar weighting expected in 2015. However, 77% of forecasted operating income in 2016 is expected to be generated from oil and NGLs versus 23% from gas. Comparatively, 85% of forecasted 2015 operating income is expected to be generated from oil and NGLs versus 15% from gas.

During 2016, the Company is forecasting oil and gas prices to average WTI US$56.00 per barrel and AECO $2.95 per GJ, respectively. Sensitivities to changes in these prices are as follows: a change in 10% in the average WTI oil price forecast would affect funds from operations by $8.1 million and a change in 10% in the average AECO gas price forecast would affect funds from operations by $11.6 million. The Company reviews its commodity price forecasts periodically and retains the flexibility to adjust its capital expenditure plans accordingly.

Production expense for 2016 is estimated to be $10.60 per BOE and transportation expense is estimated to be $2.17 per BOE. On a combined basis production and transportation expense in 2016 is estimated to be $12.77 per BOE compared to actual expenses of $15.59 per BOE for the six months ended June 30, 2015, prior to the Company's operational initiatives and strategic infrastructure expenditures that were undertaken to reduce production and transportation expenses. The reduction in unit expenses of $2.82 per BOE annualized using 2016 estimated average production of 22,000 BOE per day results in $22.7 million in lower aggregate annualized expenses.

After giving effect to the aforementioned production estimates, commodity price assumptions, and estimated capital expenditures, funds from operations for 2016 is forecasted to be approximately $110.0 million or $0.65 per common share, diluted. This represents a 62% increase (48% per share increase) to estimated 2015 funds from operations. Kelt estimates that the Company's bank indebtedness, net of working capital, will be approximately $197.0 million as at December 31, 2016 or 66% of its expected total credit facility commitment.

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 below.

The information set out herein 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 and 2016. 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 anticipated continued reduction in production and transportation expenses resulting from operational initiatives and expenditures on infrastructure; the expectation that new firm service gas transportation contracts will alleviate production disruptions and discounted realized gas prices; the expected outcome of the semi-annual review of the borrowing base available under Kelt's credit facility; the potential to double Kelt's well inventory on lands within a certain middle Montney zone oil pool; and the Company's expected future financial position and operating results, which are dependent on, among other things, the forecasted amount and timing of future capital expenditures, forecast production and future commodity prices.

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.

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 transaction costs associated with acquisitions and dispositions, settlement of decommissioning obligations and the 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

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
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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