



PRESS RELEASE

(Stock Symbol: **KEL** – TSX)

March 23, 2016

Calgary, Alberta

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KELT ANNOUNCES \$22.1 MILLION CDE FLOW-THROUGH EQUITY FINANCING

CALGARY, Alberta, Kelt Exploration Ltd. (“Kelt” or the “Company”) will issue, by way of private placement, 4.7 million common shares on a “flow-through” basis in respect of Canadian Development Expenses (“CDE”) at a price of \$4.70 per share resulting in gross proceeds of \$22.1 million (the “Private Placement”).

PearTree Securities Inc., an exempt market dealer, will provide certain services to Kelt in respect of the placement of 3.9 million flow-through common shares under the Private Placement.

The Private Placement will also include the subscription by certain directors, officers and employees of the Company, along with certain other subscribers, to purchase the remaining 0.8 million flow-through common shares on a non-brokered basis. The Private Placement is expected to close on or about April 7, 2016.

Proceeds from the Private Placement will be used to partially finance the Company’s drilling and completion expenditures during the remainder of 2016.

Kelt shall, pursuant to the provisions in the *Income Tax Act* (Canada), incur eligible CDE (the “Qualifying Expenditures”), after the closing date and prior to December 31, 2016 in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of the subject flow-through common shares. Kelt shall renounce the Qualifying Expenditures so incurred to the purchasers of the flow-through common shares on or prior to December 31, 2016.

The Private Placement is subject to certain conditions including normal regulatory approvals and specifically, the approval of the Toronto Stock Exchange. The common shares issued in connection with the Private Placement will be subject to a statutory hold period of four months

plus one day from the date of completion of the Private Placement, in accordance with applicable securities legislation.

This press release does not constitute an offer to sell or a solicitation of any offer to buy the common shares in the United States. The common shares have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.

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.

Cautionary Statement on Forward-Looking Statements and Information

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 plans to incur and renounce the Qualifying Expenditures and the expected closing of the Private Placement.

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.

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