Corporate Presentation

August 2021

kelt exploration

David J. Wilson
President & Chief Executive Officer

Sadiq H. Lalani
Vice President & Chief Financial Officer

Why Invest in Kelt ?

VALUE CREATION

- Kelt focuses on value creation for shareholders over the long-term.
- The Company emphasizes low-cost land accumulation in resource-style plays with the potential for high rates of return on capital invested and rapid growth of its drilling inventory portfolio.
- The Kelt management team has a track record of creating value through opportunistically timed monetizations:
  - sold Celtic Exploration Ltd. in February 2013 for $3.2 billion;
  - sold Kelt's Karr Montney assets in January 2017 for $100.0 million; and
  - sold Kelt's Inga Montney assets in August 2020 for $510.0 million.
- Kelt currently holds over 360,000 acres of Montney rights and over 70,000 acres of Charlie Lake rights.
- Kelt targets a 2.0 times or better recycle ratio over the long-term on a proved plus probable reserve basis.
- Management and the Board are aligned with all Kelt shareholders through their significant equity ownership in the Company.

Environment, Social and Governance (ESG)

On January 7, 2021, Kelt released its inaugural ESG Report as part of its ongoing commitment to health and safety, responsible and sustainable resource development, good governance practices and community engagement. The ESG Report can be viewed on Kelt's website at www.keltexploration.com.

Environment
> Emissions and Climate Change
> Spill Prevention and Response
> Abandonment and Reclamation Liabilities
> Water Use
> Hydraulic Fracturing

Social Impact
> Community Impacts
> Economic Impact
> First Nations

Human Capital
> Health and Safety
> Critical Incident Management

Leadership & Governance
> Business Ethics
> Transparency
> Profitable Growth

Capital Structure

- **Stock Exchange listing** — **TSX**
- **Trading symbol** — **KEL**
- **Market capitalization** (effective August 3, 2021) — **$ 613 million**
- **52-week stock trading range** — **$ 1.34 – $ 3.62**
- **Common shares issued** — **188.7 million**

- **Stock options (10.9 MM) & RSUs (1.0 MM)** — **11.9 million (6.3%)**
  → **average exercise price of stock options is $ 3.54 / share**
- **Diluted common shares (includes all options/RSUs)** — **200.6 million**
- **Directors & Officers (D&O's) ownership** *[1]* — **18% (20% diluted)**

Note:

*[1] See slide entitled "Insider Commitment" for details of D&O's participation in equity offerings. Current D&O ownership does **not** include holdings of retired Directors, Eldon McIntyre and Robert Dales, both of whom served on the Kelt Board from inception until their retirement. Upon retirement, Mr. McIntyre owned 6.7 million Kelt common shares and Mr. Dales owned 1.8 million Kelt common shares.*

Insider Commitment

Offering / Market Purchases	Insider Purchases			
	Date	Shares (MM)	Amount (MM)	Price/share
$ 13.9 MM Equity Private Placement	Feb-2013	3.7	$ 8.7	$ 2.32
$ 94.4 MM Equity Private Placement	Apr-2013	5.7	$ 31.5	$ 5.55
$ 92.0 MM Equity Private Placement	Aug-2013	0.5	$ 4.0	$ 8.00
$ 19.6 MM Flow-through Equity Private Placement	Aug-2013	0.5	$ 4.9	$ 9.80
$ 101.1 MM Equity Private Placement	Dec-2013	2.4	$ 19.6	$8.15
$ 33.6 MM Flow-through Equity Private Placement	Mar-2014	1.1	$ 13.5	$ 12.75
$ 33.4 MM Flow-through Equity Private Placement	Mar-2015	1.7	$ 14.7	$ 8.60
$ 90.0 MM Equity Prospectus Offering	Jul-2015	0.4	$ 3.5	$ 8.85
$ 77.1 MM Flow-through Equity Private Placements	2016-2018	0.3	$ 1.8	$ 6.05
Open Market Purchases	2013-2021	13.2	$ 35.5	$ 2.68
TOTAL *[2]*		29.5	$ 137.7	$ 4.66

Notes:

*[1] Insiders purchased **$14.7 million of the $90.0 million** convertible debenture offering in May 2016. The Company redeemed the convertible debentures on October 3, 2020.*

*[2] Insiders' (excluding retired directors) total current holdings are **34.2 million shares or 18%** of outstanding shares (does not include shares that may be received from exercising current rights under stock option and RSU plans).*

Capital Expenditures – Three Year Comparative

($ millions)	2019	2020	2021 (E)	2021/20 change
Drilling & Completions	184.7	70.2	102.0	+ 45%
Equipment, Facilities, & Pipeline Infrastructure *[1]*	129.0	79.1	78.0	– 1%
Land, Seismic & Asset Acquisitions, net of Property Dispositions *[2]*	1.9	(503.3)	(5.0)	n/a
Net Capital Expenditures	315.6	(354.0)	175.0	n/a

Note:

[1] British Columbia Clean Growth Infrastructure Royalty Credit Program:

Oak/Flatrock – the Government of British Columbia approved Kelt's 2019 application to recover approximately 37% of $49.5 million in future infrastructure expenditures (or approximately $18.5 million) through reduced future royalties payable relating to 22 horizontal Montney wells associated with the infrastructure.

[2] Sale of Inga/Fireweed Division:

During 2020, Kelt sold its Inga/Fireweed Division for gross cash proceeds off $510.0 million (net cash proceeds of $503.9 million after closing adjustments). In addition, the purchaser assumed certain financial obligations related to the Inga/Fireweed assets in the amount of approximately $41.0 million. Net capital expenditures in 2020, excluding the Inga disposition, was $149.9 million.

2021 Drilling Program + Production Behind Pipe

EIGHTEEN wells that have been drilled & completed and are awaiting tie-in:

- **Wembley (sfc 14-34) 02/13-32-074-09W6 Middle Montney (D3)** – *tie-in in August 2021.*
- **Wembley (sfc 14-34) 00/13-10-075-09W6 Middle Montney (D3)** – *tie-in in August 2021.*
- **Wembley (sfc 15-29) 00/05-09-074-08W6 Middle Montney (D3)** – *tie-in in November 2021.*
- **Wembley (sfc 10-28) 00/03-04-074-07W6 Middle Montney (D2)** – *tie-in in 2022 (Wembley East – phase 1 pipeline).*
- **Wembley (sfc 12-05) 00/09-04-073-06W6 Middle Montney (D3)** – *tie-in in 2022 (Wembley East – phase 2 pipeline).*
- **Wembley (sfc 16-26) 00/13-13-072-07W6 Middle Montney (D3)** – *tie-in in 2022 (Wembley East – phase 2 pipeline).*
- **Spirit River TWO Charlie Lake wells (1-25 & 8-25)** – *tie-in in September 2021.*
- **Oak TEN Montney wells** – *tie-in in October 2021.*

THREE wells that have been drilled but are un-completed (DUCs):

- **Wembley (sfc 14-9) 02/04-18-073-07W6 Middle Montney (D3)** – *tie-in in 2022 (Wembley East – phase 1 pipeline).*
- **Wembley (sfc 14-9) 00/04-13-073-07W6 Middle Montney (D3)** – *tie-in in 2022 (Wembley East – phase 1 pipeline).*
- **Flatrock/East Oak (sfc 10-27) 00/12-02-086-16W6 Middle Montney** – *complete & tie-in in 2022 or later.*

Aug-Dec 2021 EIGHT well drilling program:

- **Drill a Montney well at Wembley (1-36)** – *complete & tie-in in 2022 (Wembley East – phase 1 pipeline).*
- **Drill a Montney well at Wembley (4-22)** – *complete & tie-in in 2022 (Wembley East – phase 2 pipeline).*
- **Drill & Complete TWO Montney oil wells at Pouce Coupe (06/13-32 & 07/13-32)** – *tie-in in late 2021/early 2022.*
- **Drill TWO Montney gas wells at Pouce Coupe West (00/3-12 & 02/3-12)** – *complete & tie-in in 2022.*
- **Drill TWO Charlie Lake wells at Spirit River (00/1-22 & 00/2-22)** – *complete & tie-in in 2022.*

Production – Three Year Comparative

	2019		2020		2021 (E)	
Oil (bbls/d)	9,361	31%	7,057	28%	4,700	22%
NGLs (bbls/d) [1]	4,490	15%	4,161	17%	3,300	15%
Gas (Mcf/d)	96,658	54%	82,646	55%	81,000	63%
Combined (BOE/d)	29,961	100%	24,992	100%	21,500	100%
Annual Percent Change	+ 11%		– 17%		– 14% *	
Per MM Shares (BOE/d)	163		133		114	

Note:

[1] 2021 estimated NGLs production mix is as follows:

Pentane (C5+)	*24%*
Butane (C4)	*22%*
Propane (C3)	*26%*
Ethane (C2)	*28%*
Total NGLs	***100%***

On August 21, 2020, Kelt completed the sale of its Inga Assets. Of the 24,992 BOE/d average production for 2020, 9,052 BOE/d related to the Inga Assets. As a result, pro-forma average 2020 production, excluding the Inga Assets, was 15,940 BOE/d.

**** Estimated 2021 average production is expected to grow by 35% from pro-forma 2020 average production.***

2021 Forecasted Commodity Prices

(CAD, unless otherwise specified)	Jan-Jun	Jul-Dec (E)	2021 Forecast
WTI Crude Oil (USD/bbl) *[1]*	US $ 61.94	US $ 65.03	US $ 63.50
MSW Crude Oil (CAD/bbl) *[2]*	$ 71.94	$ 75.05	$ 73.51
NYMEX Henry Hub [L3D] Natural Gas (USD/MMBtu)	US $ 2.69	US $ 3.79	US $ 3.25
DAWN Gas Daily Index (USD/MMBtu) ACE-CHICAGO Gas Daily Index (USD/MMBtu) AECO [5A] Gas Daily Index (CAD/MMBtu) *[3]* Station 2 [7B] Gas Daily Index (CAD/MMBtu) *[3]*	US $ 2.87 US $ 4.49 $ 3.11 $ 3.02	US $ 3.73 US $ 3.73 $ 3.98 $ 3.86	US $ 3.30 US $ 4.11 $ 3.55 $ 3.44
Exchange Rate (CAD/USD) Exchange Rate (USD/CAD)	$ 1.247 US $ 0.802	$ 1.247 US $ 0.802	$ 1.247 US $ 0.802
Kelt Oil price ($/bbl)	$ 71.75	$ 74.16	$ 73.19
Kelt NGLs price ($/bbl)	$ 33.66	$ 33.61	$ 33.63
Kelt Gas price ($/Mcf)	$ 3.62	$ 4.28	$ 3.98
Kelt combined price ($/BOE)	$ 33.61	$ 38.21	$ 36.17

Notes:

[1] WTI – West Texas Intermediate – light sweet crude oil (API 40˚) for settlement at Cushing, Oklahoma, priced in USD.

[2] MSW – Mixed Sweet Blend – light sweet crude oil (API 40˚) for settlement at Edmonton, Alberta, priced in CAD.

[3] AECO and Station 2 converted from GJ to MMBtu at a factor of 1.0546 GJ / MMBtu (1,000 Btu/scf gas).

Commodity Prices – Three Year Comparative

(CAD, unless otherwise specified)	2019		2020		2021 (E)	
WTI Crude Oil ($/bbl) [1]	US $ 56.98	$ 75.61	US $ 39.24	$ 52.62	US $ 63.50	$ 79.17
MSW Crude Oil ($/bbl) [2]	US $ 52.17	$ 69.19	US $ 33.82	$ 45.34	US $ 58.96	$ 73.51
NYMEX Henry Hub [L3D] Natural Gas ($/MMBtu)	US $ 2.62	$ 3.48	US $ 2.08	$ 2.79	US $ 3.25	$ 4.05
DAWN Gas Daily Index ($/MMBtu)	US $ 2.40	$ 3.18	US $ 1.86	$ 2.49	US $ 3.30	$ 4.12
ACE-CHICAGO Gas Daily Index ($/MMBtu)	US $ 2.41	$ 3.19	US $ 1.87	$ 2.51	US $ 4.11	$ 5.14
MALIN Gas Daily Index ($/MMBtu)	US $ 2.67	$ 3.54	US $ 2.14	$ 2.87	n/a	n/a
SUMAS Gas Daily Index ($/MMBtu)	US $ 3.80	$ 5.04	US $ 2.31	$ 3.10	n/a	n/a
AECO [5A] Gas Daily Index ($/MMBtu) [3]	US $ 1.33	$ 1.76	US $ 1.66	$ 2.23	US $ 2.76	$ 3.55
Station 2 [7B] Gas Monthly Index ($/MMBtu) [3]	US $ 0.77	$ 1.02	US $ 1.63	$ 2.18	US $ 2.51	$ 3.44
Exchange Rate (CAD/USD)	$ 1.327		$ 1.341		$ 1.247	
Exchange Rate (USD/CAD)	US $ 0.754		US $ 0.746		US $ 0.802	
Kelt Oil price ($/bbl)	$ 66.94		$ 40.80		$ 73.19	
Kelt NGLs price ($/bbl)	$ 20.62		$ 15.04		$ 33.63	
Kelt Gas price ($/Mcf)	$ 3.26		$ 2.33		$ 3.98	
Kelt combined price ($/BOE)	$ 34.53		$ 21.73		$ 36.17	

Notes:

[1] WTI – West Texas Intermediate – light sweet crude oil (API 40˚) for settlement at Cushing, Oklahoma, priced in USD.

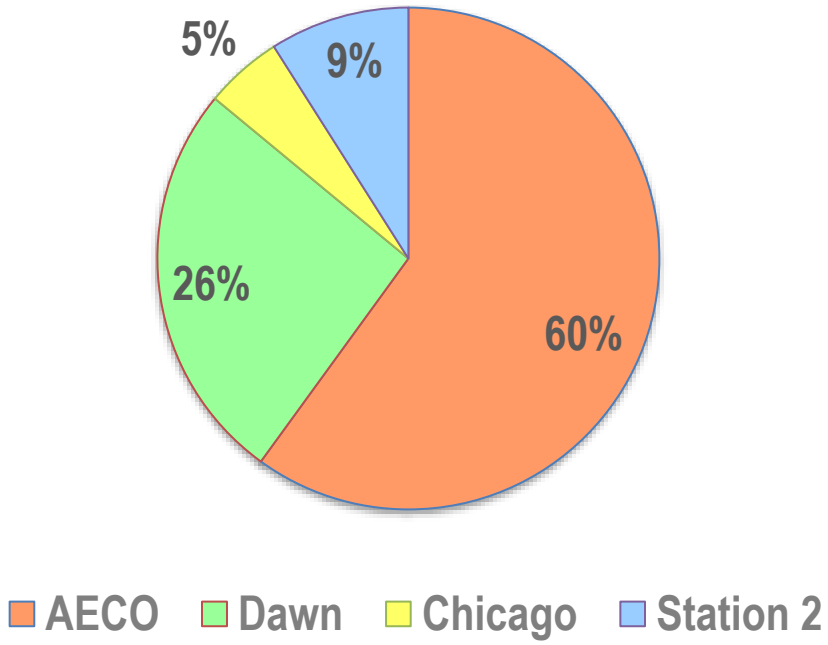
[2] MSW – Mixed Sweet Blend – light sweet crude oil (API 40˚) for settlement at Edmonton, Alberta, priced in CAD.

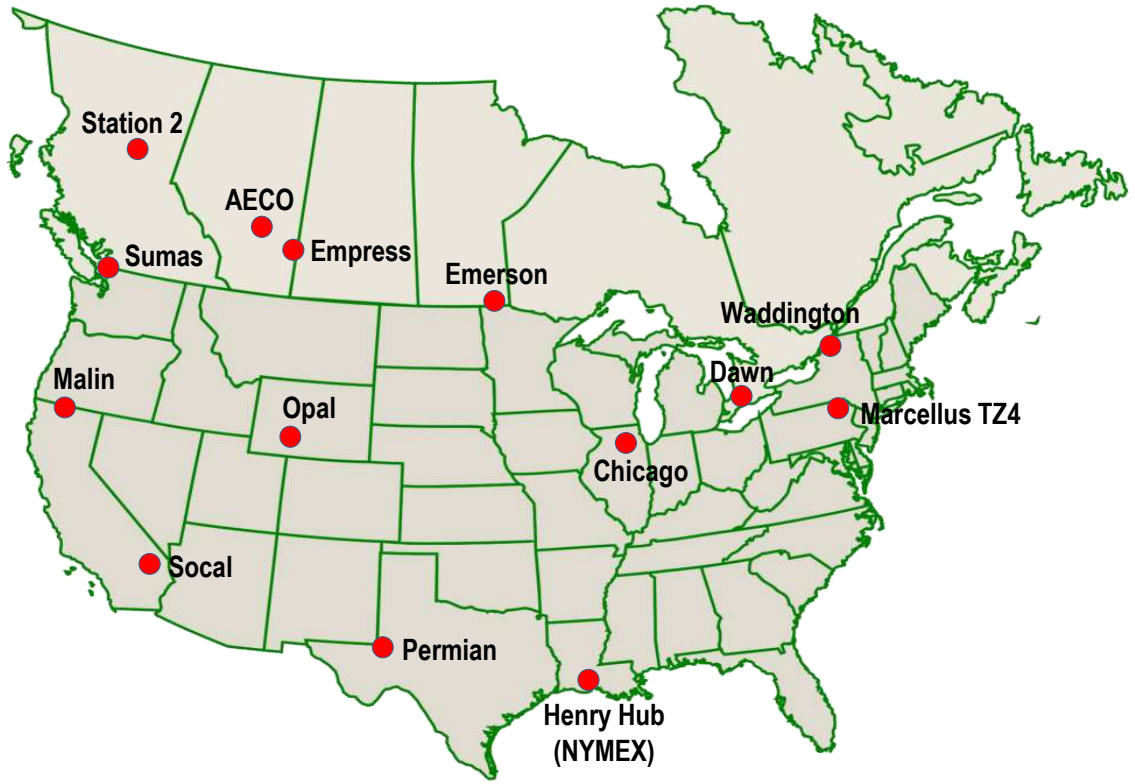
[3] AECO and Station 2 converted from GJ to MMBtu at a factor of 1.0546 GJ / MMBtu (1,000 Btu/scf gas).

Gas Market Risk Management

GAS MARKET DIVERSIFICATION

- The Company has taken a diversified approach to selling its natural gas in order to reduce exposure to single market risk.
- Estimated % of average gas sales in 2021 at each respective price hub is forecasted to be as follows:





Commodity Price Risk Management

Commodity	Index	Remaining Term	Quantity	Fixed Price
Crude Oil	WTI Fixed Price	Jul/2021 to Sep/2021	1,500 bbls/d	CAD $70.00 / bbl *[equivalent to **USD $56.13 / bbl** at a CAD/USD exchange rate of **1.247**]*
Crude Oil	WTI−MSW Basis Differential	Jul/2021 to Sep/2021	1,500 bbls/d	USD −$4.55 / bbl *[equivalent to **CAD −$5.67 / bbl** at a CAD/USD exchange rate of **1.247**]*
Natural Gas	NYMEX Henry Hub Fixed Price *[1]*	Jul/2021 to Oct/2021	10,000 MMBtu/d	CAD $4.00 / MMBtu *[equivalent to **USD $3.21 / MMBtu** at a CAD/USD exchange rate of **1.247**]*
Natural Gas	AECO 5A Fixed Price	Jul/2021 to Oct/2021	5,000 GJ/d	CAD $2.70 / GJ (~ CAD $2.84 / MMBtu) *[equivalent to **USD $2.28 / MMBtu** at a CAD/USD exchange rate of **1.247**]*
Natural Gas	NYMEX Henry Hub Fixed Price	Jul/2021 to Oct/2021	15,000 MMBtu/d	CAD $3.67 / MMBtu *[equivalent to **USD $2.94 / MMBtu** at a CAD/USD exchange rate of **1.247**]*
Natural Gas	NYMEX Henry Hub Costless Collar	Nov/2021 to Mar/2022	10,000 MMBtu/d	CAD $3.60 Floor & CAD $4.68 Ceiling ($ / MMBtu) *[equivalent to **USD $2.89 Floor & USD $3.75 Ceiling** at a CAD/USD exchange rate of **1.247**]*
Natural Gas	NYMEX Henry Hub Fixed Price	Nov/2021 to Mar/2022	5,000 MMBtu/d	CAD $5.00 / MMBtu *[equivalent to **USD $4.01 / MMBtu** at a CAD/USD exchange rate of **1.247**]*
Crude Oil	WTI−MSW Basis Differential	Oct/2021 to Dec/2022	1,500 bbls/d	USD −$4.75 / bbl *[equivalent to **CAD −$5.92 / bbl** at a CAD/USD exchange rate of **1.247**]*

2021 Forecast Commodity Price Sensitivities

	2021 Forecast	Kelt Oil/NGLs Price plus 10%		Kelt Gas Price plus 10%	
Kelt Oil Price (CAD/bbl)	73.19	80.50	+ 10%	73.19	—
Kelt NGLs Price (CAD/bbl)	33.63	37.00	+ 10%	33.63	—
Kelt Gas Price (CAD/Mcf)	3.98	3.98	—	4.38	+ 10%
AFFO ($ MM) [1] [2]	145.0	157.1		155.3	
Change ($ MM / %)		+ 12.1	+ 8%	+ 10.3	+ 7%
AFFO per share, diluted [1] [2]	0.76	0.83		0.82	
Working Capital Deficit (Surplus) ($ MM)	9.0	(3.1)		(1.3)	

Note:
[1] See "Financial Advisories"
[2] AFFO: Adjusted Funds from Operations

Netbacks – Three Year Comparative

($ / BOE)	2019	2020	2021 (E)	2021/20 change
Kelt Revenue / Price	34.53	21.73	36.17	+ 66%
Realized hedging gain (loss)	(0.08)	0.99	(1.22)	—
Royalties (% of revenue / price)	5.1%	5.2%	9.0%	+ 73%
Transportation expense	(4.62)	(3.62)	(3.19)	– 12%
Production expense	(9.18)	(9.56)	(8.71)	– 9%
Operating netback *[1]*	18.89	8.41	19.81	+ 136%
G&A expense	(0.81)	(0.80)	(1.31)	+ 64%
Interest expense	(1.41)	(1.37)	(0.02)	—
Other income (expense)	0.02	0.19	0.00	—
Adjusted funds from operations *[1]*	16.69	6.43	18.48	+ 187%

Note:
[1] See "Financial Advisories".

Financial Summary – Three Year Comparative

($ MM, unless otherwise specified)	2019	2020	2021 (E)	2021/20 change
P&NG sales	394.4	207.2	289.7	+ 40%
Operating income [1]	206.5	76.9	155.5	+ 102%
Adjusted funds from operations [1]	182.5	58.8	145.0	+ 147%
AFFO per share – diluted ($/share) [1]	0.99	0.31	0.76	+ 145%
Capital expenditures, net [2]	315.6	(354.0)	175.0	—
Bank debt	300.0	nil	nil	—
Convertible debentures [3]	89.9	nil	nil	—
Working capital deficit (surplus)	28.1	(26.3)	9.0	—

Notes:
[1] See "Financial Advisories".
[2] Capital expenditures are net of proceeds from property dispositions. Net proceeds of $503.9 million from the sale of the Company's Inga/Fireweed Division is included in the 2020 amount.
[3] Kelt redeemed the $89.9 million outstanding principal amount of convertible unsecured subordinated debentures on October 3, 2020.

Reserves - Volumes

	Reserves Dec/31/2019 (MBOE)	Pro-forma Reserves [2] Dec/31/2019 (MBOE)	Reserves Dec/31/2020 (MBOE)	Change
Proved Developed Producing	48,854	24,749	29,606	+ 20%
Total Proved	224,582	85,237	95,956	+ 13%
Proved plus Probable (P+P)	460,981	159,620	178,782	+ 12%
Oil / Ngls (P+P %)	47%	40%	42%	
Gas (P+P %)	53%	60%	58%	

Notes:

[1] Reserves are per the reports prepared by Sproule Associates Limited. Reserve volumes include Company gross working interest share of remaining reserves, as determined in accordance with NI 51-101.

[2] Pro-forma amounts as at December 31, 2019 are adjusted to give effect to the disposition of the Inga/Fireweed Division that occurred on August 21, 2020.

Reserves - Values

Net Present Value of Reserves

	NPV 10% BT Dec/31/2020 ($ MM)
PDP	203
Proved	430
P+P	932

Sproule's Forecasted Future Commodity Prices

	WTI Crude Oil (USD/bbl)	NYMEX Natural Gas (USD/MMBtu)	Exchange Rate (USD / CAD)
2021	46.00	3.00	0.770
2022	48.00	3.00	0.770
2023	53.00	3.00	0.770
2024	54.06	3.06	0.770

Notes:

[1] Reserves are per the reports prepared by Sproule Associates Limited. Reserve volumes include Company gross working interest share of remaining reserves, as determined in accordance with NI 51-101.

[2] Abbreviations:

PDP = Proved Developed Producing

P+P = Proved plus Probable

Reserves – Future Development Capital

December 31, 2020	Proved Reserves		P+P Reserves	
	FDC ($ MM)	Net HZ Wells	FDC ($ MM)	Net HZ Wells
Alberta Montney wells	398	73.3	671	121.3
B.C. Montney wells	24	4.0	58	11.0
TOTAL Montney wells	422	77.3	729	132.3
Other formation wells (including Doig & Charlie Lake)	66	18.4	149	42.0
Other expenditures	49	—	49	—
TOTAL	537	95.7	927	174.3

Notes:

[1] Reserves are per the report prepared by Sproule Associates Limited. Reserve volumes include Company gross working interest share of remaining reserves, as determined in accordance with NI 51-101.

[2] FDC = Future Development Capital.

[3] HZ = horizontal.

2020 Finding, Development, Acquisition & Disposition Costs

	Proved Reserves	P+P Reserves
Capital expenditures	149,981	149,981
Net proceeds from disposition of Inga Assets	(503,938)	(503,938)
Change in FDC costs required to develop reserves	(842,190)	(1,527,897)
Total capital costs ($M)	(1,196,147)	(1,881,854)
Reserve additions, net of dispositions (MBOE)	(119,493)	(273,064)
FDA&D cost ($/BOE)	10.01	6.89
2020 operating netback ($/BOE)	8.41	8.41
Recycle ratio	0.8 x	1.2 x
Forecasted 2021 operating netback ($/BOE)	19.81	19.81
Recycle ratio	2.0 x	2.9 x

Notes:

[1] Reserves are per the report prepared by Sproule Associates Limited. Reserve volumes include Company gross working interest share of remaining reserves, as determined in accordance with NI 51-101.

[2] FDA&D: Finding, development, acquisition & disposition. FDC: Future development capital. P+P: Proved plus probable.

2020 FD&A Costs, excluding disposition of Inga Assets

	PDP Reserves	Proved Reserves	P+P Reserves
Capital expenditures	149,981	149,981	149,981
Less: capex associated with Inga Assets	(81,675)	(81,675)	(81,675)
Change in FDC costs required to develop reserves	25	51,874	68,157
Total capital costs ($M)	68,331	120,180	136,463
Reserve additions (MBOE)	10,680	16,539	24,984
FD&A cost ($/BOE)	6.40	7.27	5.46
Forecasted 2021 operating netback ($/BOE)	19.81	19.81	19.81
Recycle ratio	3.1 x	2.7 x	3.6 x

Notes:

[1] Reserves are per the reports prepared by Sproule Associates Limited. Reserve volumes include Company gross working interest share of remaining reserves, as determined in accordance with NI 51-101.

[2] FD&A: Finding, development & acquisition. FDC: Future development capital. P+P: Proved plus probable.

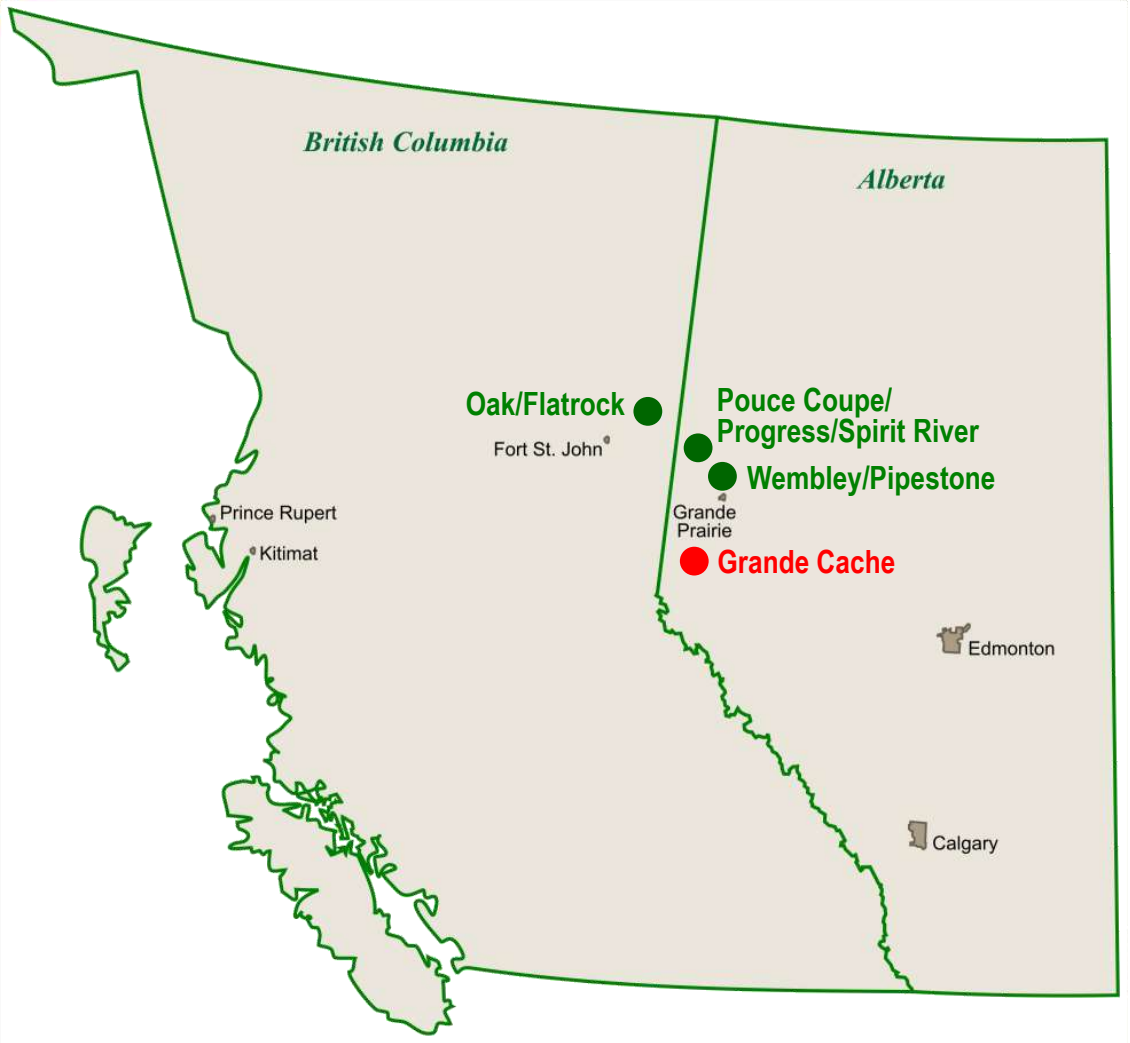
Operating Divisions

Oak/Flatrock
- Montney light oil/condensate-rich gas

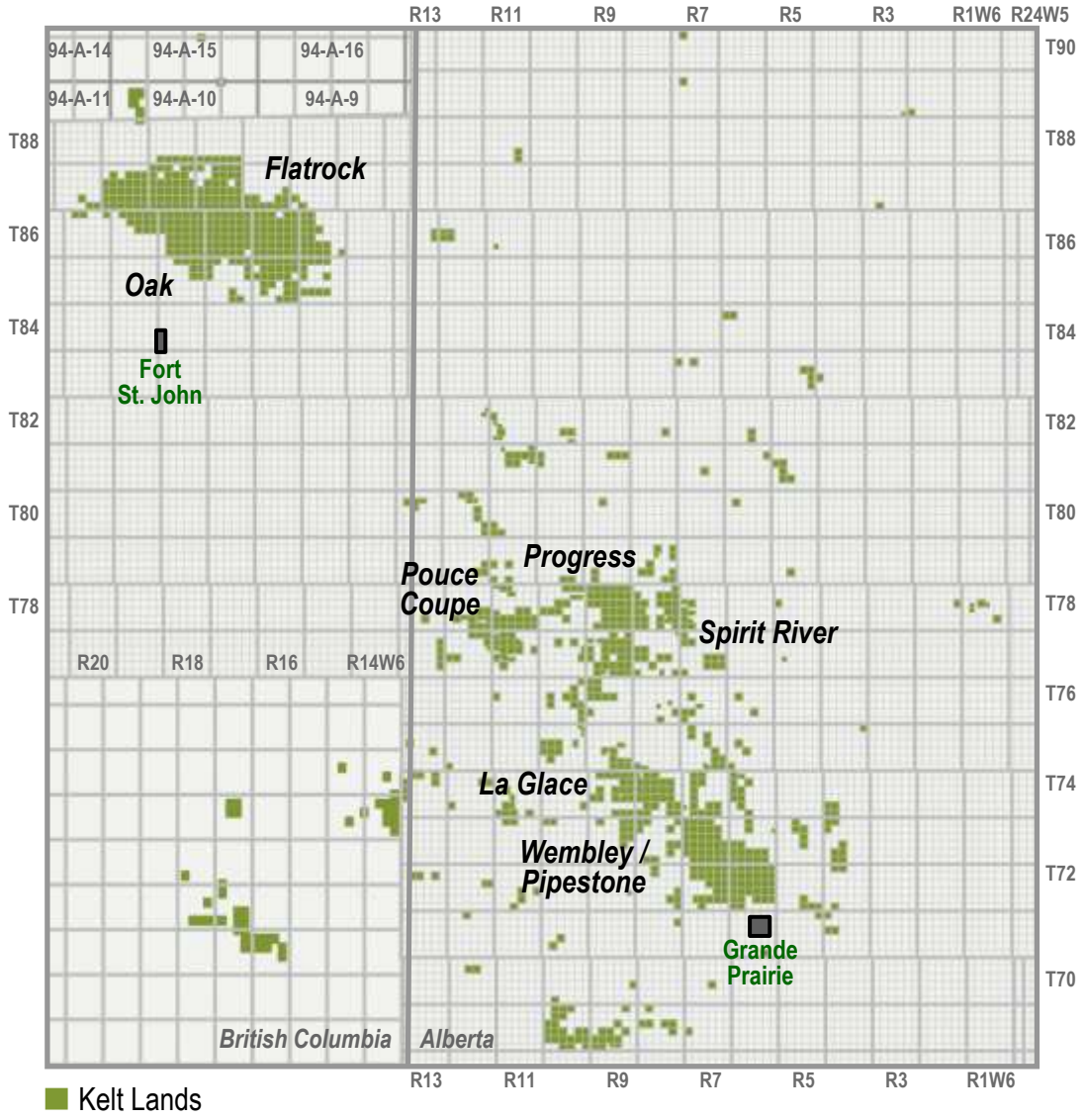
Pouce Coupe/Progress/Spirit River
- Montney light oil
- Montney and Doig gas
- Charlie Lake light oil

Wembley/Pipestone
- Montney light oil/condensate-rich gas

Grande Cache
- Cretaceous gas



Kelt Land Fairway

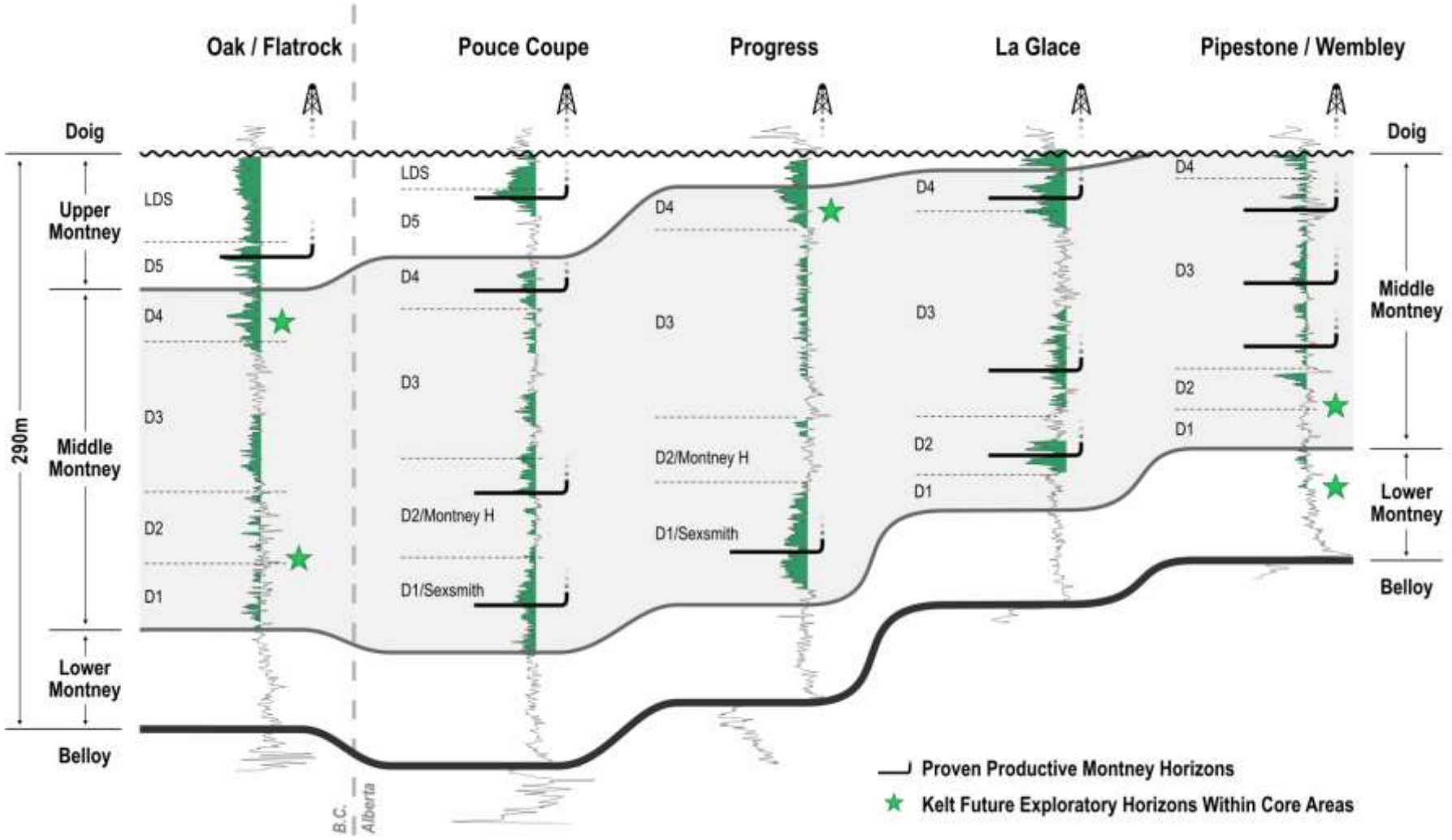


Land Holdings

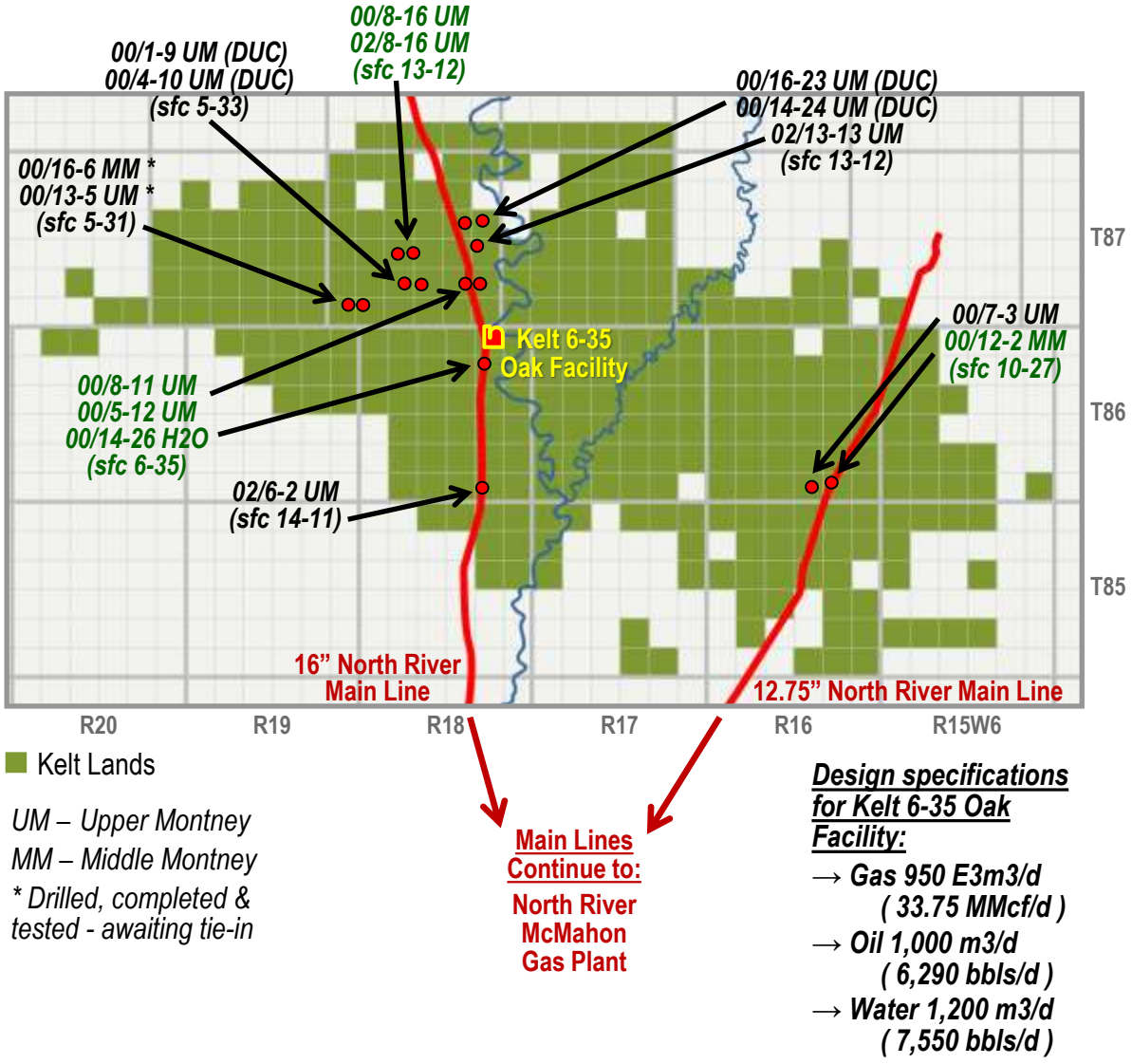
[August 1, 2021]

Developed + Undeveloped	Gross Acres	Net Acres	Net Sections
BC Montney	208,678	205,492	321
AB Montney	178,410	159,031	248
TOTAL MONTNEY	387,088	364,523	570
AB Charlie Lake	101,440	70,149	110
TOTAL COMPANY	778,486	564,368	882

Kelt Montney Framework



British Columbia Montney - Oak / Flatrock Division



Design specifications for Kelt 6-35 Oak Facility:

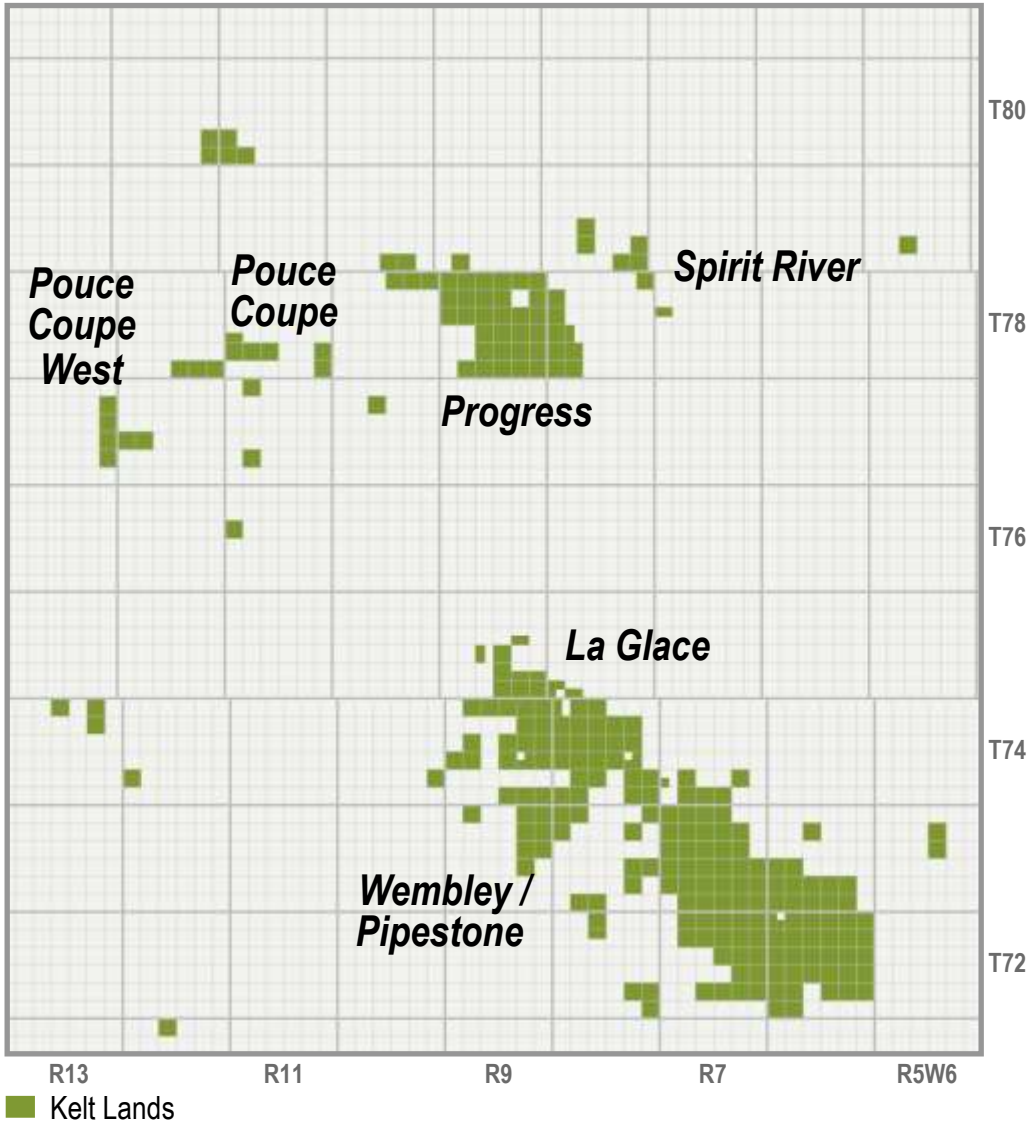
- → *Gas 950 E3m3/d (33.75 MMcf/d)*
- → *Oil 1,000 m3/d (6,290 bbls/d)*
- → *Water 1,200 m3/d (7,550 bbls/d)*

Oak / Flatrock – Montney Land Holdings	
Gross	203,628 acres (318 sections)
Net	202,356 acres (316 sections)

Oak North – Sproule Type Curve at December 31, 2020	
Estimated sales – IP30	1,310 BOE/d (45% Oil/NGLs)
Estimated sales – IP365	556 BOE/d (33% Oil/NGLs)
EUR: estimated ultimate recovery	888,000 BOE (30% Oil/NGLs)

Oak / Flatrock – Upper Montney	
Drilling inventory (un-risked)	583 wells
Drilling locations included in FDC (in the P+P case)	11 (2% booked)

Alberta Montney Lands

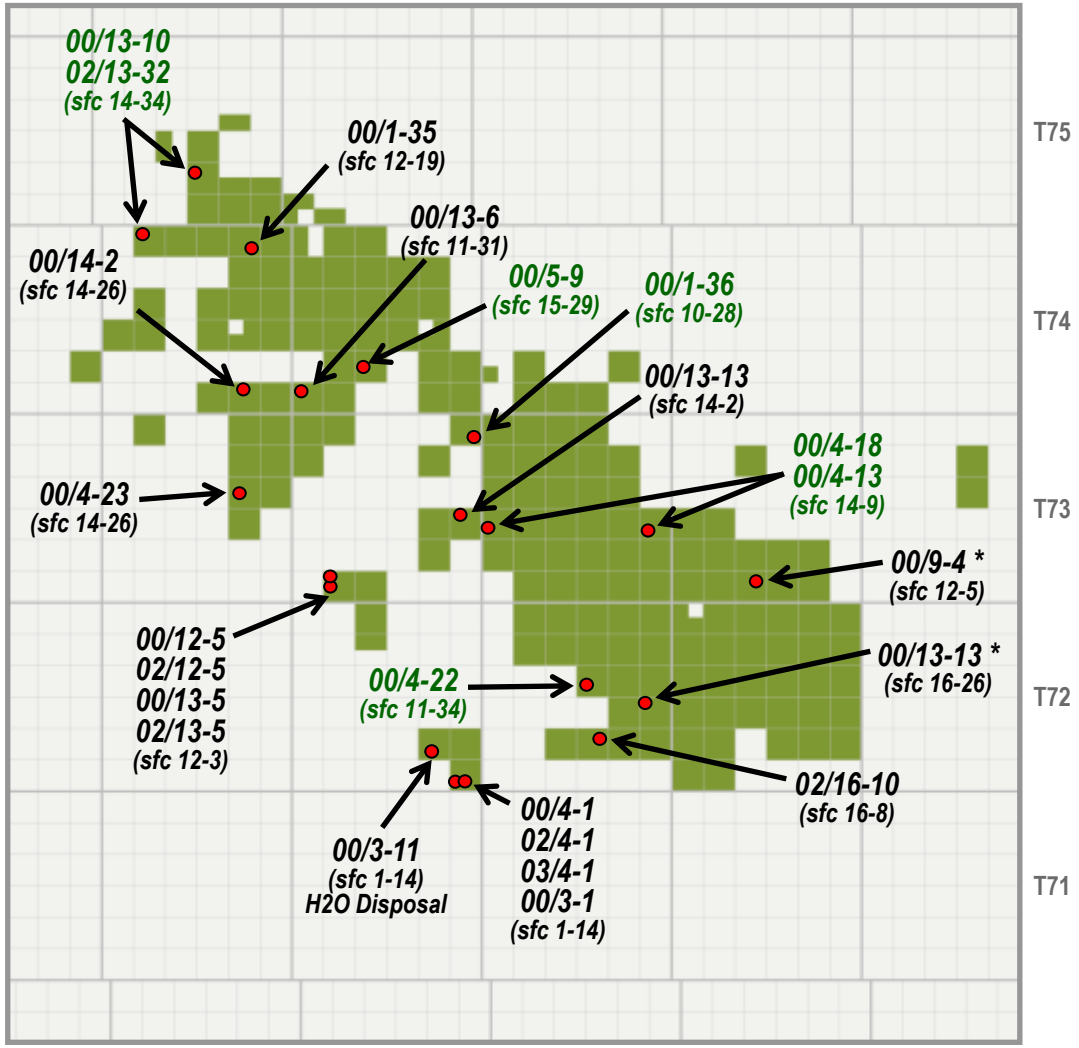


Alberta – Montney Land Holdings	
Gross	178,410 acres (279 sections)
Net	159,031 acres (248 sections)

Pouce Coupe West – Sproule Montney Gas Type Curve at December 31, 2020	
Estimated sales – IP30	2,289 BOE/d (88% Gas)
Estimated sales – IP365	1,142 BOE/d (88% Gas)
EUR: estimated ultimate recovery	2,668,000 BOE (88% Gas)

Pouce Coupe West – Montney / Doig	
Drilling inventory (un-risked)	32 wells
Drilling locations included in FDC (in the P+P case)	14 (44% booked)

Wembley / Pipestone / La Glace Division – Montney (D3)



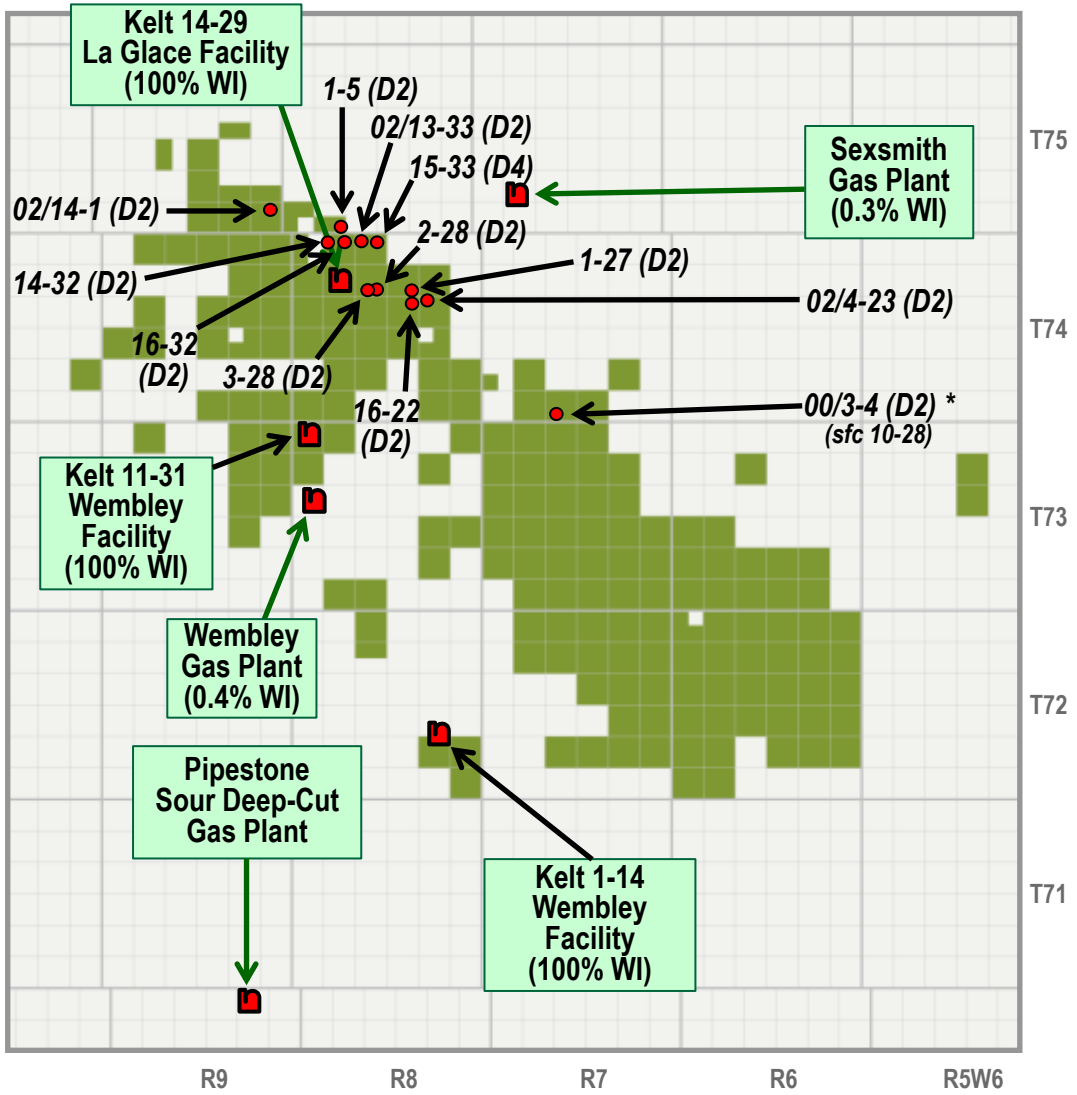
* *Drilled, completed & tested - awaiting tie-in*

Wembley / Pipestone / La Glace – Montney Land Holdings	
Gross	111,850 acres (175 sections)
Net	107,933 acres (169 sections)

Wembley / Pipestone / La Glace – Sproule Montney (D3) Gas Type Curve at December 31, 2020	
Estimated sales – IP30	1,728 BOE/d (66% Oil/NGLs)
Estimated sales – IP365	774 BOE/d (58% Oil/NGLs)
EUR: estimated ultimate recovery	1,130,000 BOE (55% Oil/NGLs)

Wembley / Pipestone / La Glace – Montney (D3)	
Drilling inventory (un-risked)	885 wells
Drilling locations included in FDC (in the P+P case)	89 (10% booked)

Wembley / Pipestone / La Glace Division – Montney (D2 / D4)



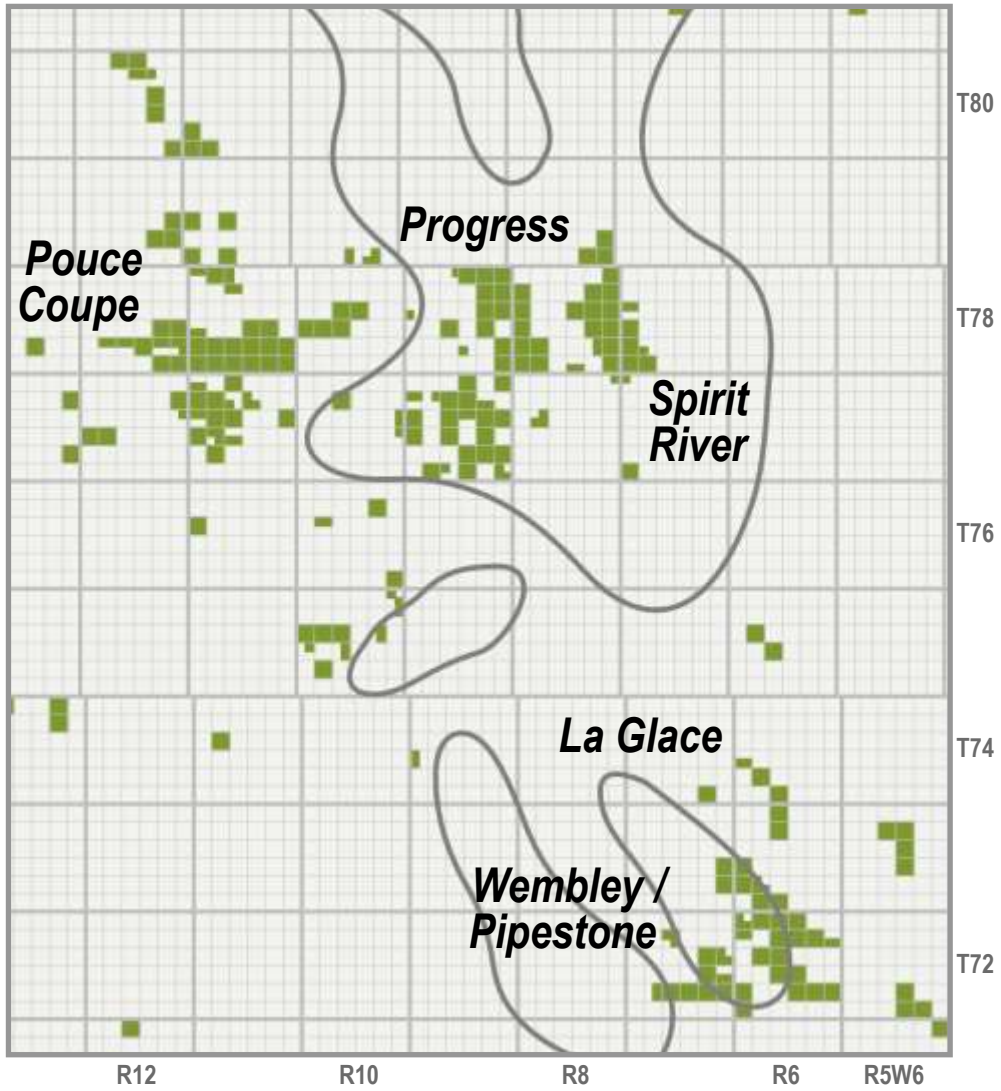
* *Drilled, completed & tested - awaiting tie-in*

OPERATIONS

- Ownership in pipeline infrastructure and minor interests in the Sexsmith (200 MMcf/d) and Wembley (130 MMcf/d) Gas Plants.
- A 100% interest in three Oil Battery and Gas Compression Facilities with combined handling capacities of 10,000 bbls/d of oil, 15,000 bbls/d of water and 45 MMcf/d of gas compression. In addition, Kelt has its own water disposal facilities capable of 7,500 bbls/d of water injection.
- The Middle Montney (D2) at La Glace generally is more conventional in nature with higher porosity and permeability.
- The Upper Montney (D4) proved to be productive – tested in the 15-33 well.

La Glace / Wembley – Montney (D2 / D4)	
Drilling inventory (un-risked)	189 wells
Drilling locations included in FDC (in the P+P case)	4 (2% booked)

Alberta Charlie Lake Lands

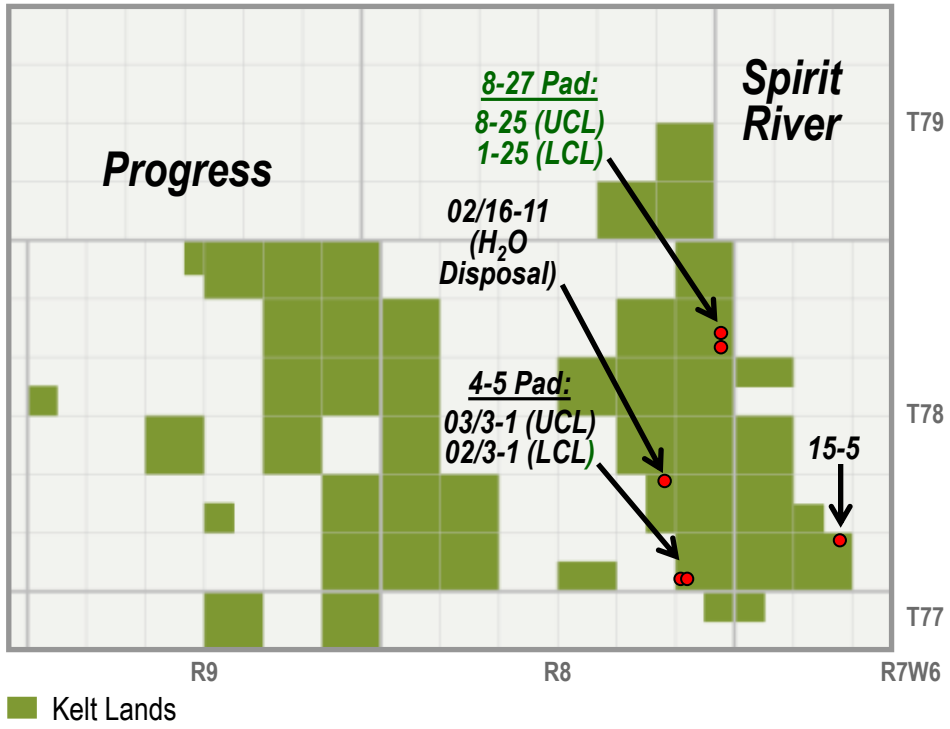


Alberta – Charlie Lake Land Holdings	
Gross	101,440 acres (159 sections)
Net	70,149 acres (110 sections)

Spirit River – Sproule Lower Charlie Lake Type Curve at December 31, 2020	
Estimated sales – IP30	751 BOE/d (59% Oil/NGLs)
Estimated sales – IP365	331 BOE/d (59% Oil/NGLs)
EUR: estimated ultimate recovery	440,000 BOE (59% Oil/NGLs)

Spirit River / Progress – Upper & Lower Charlie Lake	
Drilling inventory (un-risked)	95 wells
Drilling locations included in FDC (in the P+P case)	26 (27% booked)

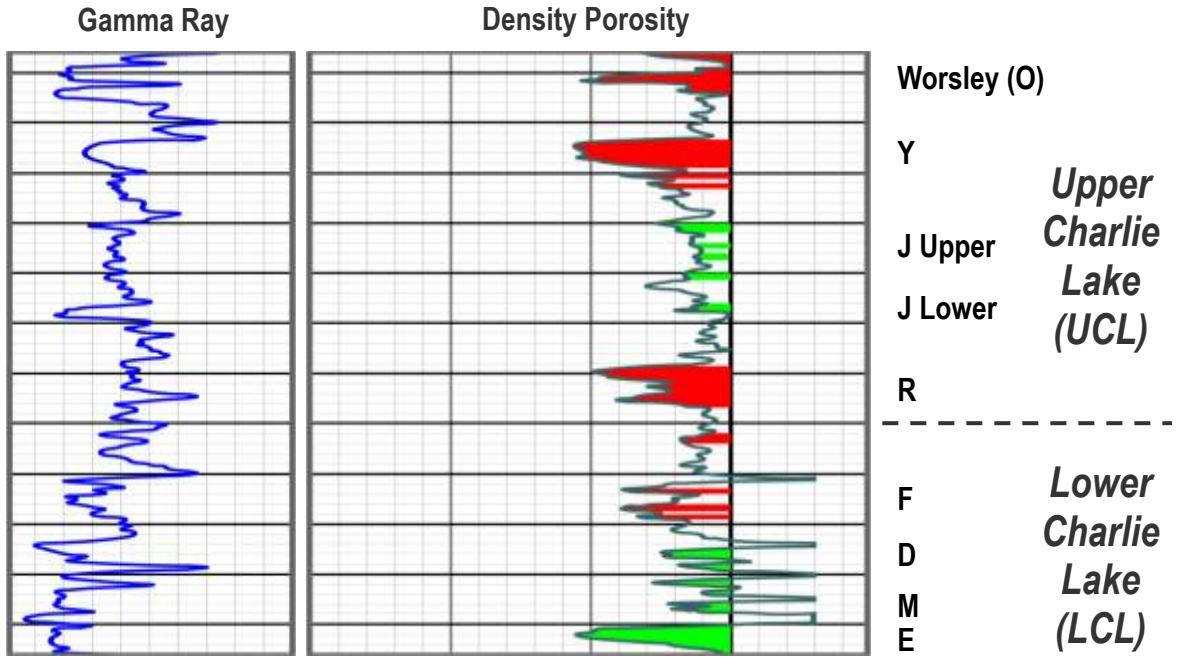
Progress / Spirit River – Charlie Lake



CHARLIE LAKE LAND HOLDINGS

Gross: 23,360 acres (37 sections)
Net: 17,344 acres (27 sections)

CHARLIE LAKE GEOLOGY



OPERATIONS

- **The 02/3-1 well paid out in 5 months and the 03/3-1 well paid out in 13 months. These wells cost an average of $3.2 million per well to drill & complete.**

Future Considerations

- **The Company has numerous potential future drilling opportunities on its existing lands that will provide for continued growth in the years to come.**
- **The Company has amassed vast Montney acreage in new plays to complement its existing development Montney lands.**
- **The Company will continue to de-risk its undeveloped exploration lands as it embarks on full scale development of its de-risked Montney and Charlie Lake resource.**
- **The Company may divest certain assets in order to monetize (bring forward) net present value and to fund continued growth in the future.**

Appendix

- Current Economic Environment – COVID-19 Pandemic
- 2020 Asset Disposition – Sale of Inga/Fireweed Division
- ESG – GHG Emissions
- ESG – Carbon Tax
- ESG – Corporate Governance
- Governance – Board of Directors
- Leadership – Management
- Abbreviations
- Disclaimers

Current Economic Environment – COVID-19 Pandemic

- **The COVID-19 pandemic has had a substantial impact on people's lives and continues to impact the way companies conduct their business. Kelt's highest priority remains the health and safety of its employees, partners and the communities where it operates. With the emergence of new COVID-19 variants, the Company continues to gather information in order to understand the potential future impacts these new variants may have on the economy and the impact to oil prices, credit availability and capital markets. The Company is proud of the dedication of its workforce to maintain safe operations and business continuity during the pandemic.**
- **The unprecedented impact to global oil demand destruction resulting from the COVID-19 pandemic, as well as excess oil supplies, as many oil producing nations sought to gain global market share, resulted in a collapse in crude oil prices around the world:**
  - ***WTI crude oil prices averaged US$16.55 per barrel during the month of April 2020, the lowest monthly average price since March 1999 (US$14.68 per barrel).***
  - ***WTI average monthly prices previously peaked in June 2008 at US$133.88 per barrel.***
  - ***Average annual WTI prices for 2019 and 2020 were US$56.98 and $39.24, respectively.***
- **Kelt is optimistic that oil prices will be strong leading into 2022 as the massive cuts in global energy-related capital spending that resulted due to the pandemic, whereby long-term energy projects were either put on hold or cancelled completely, will ultimately affect the supply of oil required to keep up with demand:**
  - ***WTI crude oil prices averaged US$61.94 per barrel during the first six months of 2021.***

2020 Asset Disposition – Sale of Inga / Fireweed Division

- On August 21, 2020, Kelt completed the sale of its Inga/Fireweed Division ("Inga Assets") to a multi-national oil and gas company headquartered in Houston, Texas, USA.
- Kelt received cash proceeds of $510.0 million, prior to closing adjustments, and the purchaser assumed certain specific financial obligations related to the Inga Assets in the amount of approximately $41.0 million.
- The sale of the Inga Assets represented a monetization of approximately 27% or 139,962 net acres of the Company's Montney acreage.
- Production from the Inga Assets during the first six months of 2020 averaged 14,399 BOE per day, approximately 47% of the Company's total production.
- At December 31, 2019, proved developed producing ("PDP") reserves associated with the Inga Assets pursuant to a report prepared by Sproule Associates Limited was 24.1 million BOE or 49% of Kelt's total PDP reserves as at December 31, 2019.
- Proceeds from the sale of Kelt's Inga Assets have been directed towards the re-payment of outstanding amounts under the Company's syndicated credit facility and towards the redemption of Kelt's outstanding convertible debentures, leaving the Company with a positive working capital position at December 31, 2020.

ESG – Greenhouse Gas Emissions

Kelt supports innovative strategies, clean technology (including alternative energy and renewable energy), green products and utilizing lower emitting solutions to improve air quality by reducing greenhouse gas ("GHG") emissions.

Type of Emissions	Units	2018 Emissions	2019 Emissions
Direct GHG *[1]*	CO_2E tonnes	191,239	210,055
Indirect GHG *[2]*	CO_2E tonnes	13,198	12,565
Combined total GHG emissions	CO_2E tonnes	204,437	222,620
Operated gross product sales *[3]*	BOE	9,759,429	10,662,868
GHG EMISSION INTENSITY *[3]*	tonnes / BOE	0.0209	0.0209

Notes:

[1] Direct GHG emissions are created on site during the extraction and processing of oil and gas, including flaring, venting, combustion and fugitive emissions.
[2] Indirect GHG emissions are generated from the purchased electricity used in our oil and gas operations, converted to CO_2E using the National Inventory Report, 1990-2016.
[3] Sulphur dioxide(SO_2), methane (CH_4) and nitrogen oxide (NO_x) emissions have been converted to a CO_2 equivalent and are included in direct GHG emissions in the above table.
[4] Emission Intensity is calculated based on operated gross product sales volumes and include third party volumes processed and sold through operated facilities.

On January 7, 2021, Kelt released its inaugural ESG Report as part of its ongoing commitment to health and safety, responsible and sustainable resource development, good governance practices and community engagement. The ESG Report can be viewed on Kelt's website at www.keltexploration.com.

ESG – Carbon Tax

CARBON TAX

- **FEDERAL**
  - The Federal carbon tax applies where a Province does not have a carbon pricing system that aligns with Federal benchmarks.
  - The current carbon tax rate is $40/tonne; $50/tonne in Apr/22; and proposing annual increases reaching $170/tonne by 2030.
- **ALBERTA**
  - The Technology Innovation and Emissions Reduction ("TIER") program provides exemption from the Federal fuel charge.
  - Kelt's aggregate facilities will be required to reduce emission intensity by 10% relative to the aggregate facility specific benchmark. Any shortfall to the 10% reduction in 2021 will be subject to a carbon tax of $30/tonne.
  - The Company's carbon tax expense under the TIER program for 2020 is estimated to be approximately $180,000.
  - Activities outside of the TIER program will be subject to the Federal carbon tax.
  - Carbon credits can be earned in Alberta for approved projects based on emission reductions that are achieved.
- **BRITISH COLUMBIA**
  - Carbon tax is imposed on all purchases or use of fuel with limited exemptions.
  - Current tax is $40/tonne. Plans to increase the carbon tax to $50/tonne in 2020 were put on hold due to the COVID-19 pandemic.

There are various government (both Federal and Provincial) grant programs such as the Federal Emissions Reduction Fund ("ERF"), Baseline and Reduction Opportunity ("BRO") Assessments, Alberta Emission Offset Systems (carbon credits), Alberta Industrial Energy Efficiency ("IEE") and Carbon Capture Utilization and Storage ("CCUS"), that Kelt has made application, where applicable, to participate in.

ESG – Corporate Governance

Corporate Governance

The following documents relating to the Company's corporate governance matters are available on the internet at www.keltexploration.com:

- Advance Notice Policy
- Articles of Incorporation, Amalgamation, Continuation and By-Laws
- Audit Committee Chair Position Description
- Audit Committee Charter
- Board Chair Position Description
- Board Diversity Policy
- Board Mandate
- Chief Executive Officer Position Description
- Chief Financial Officer Position Description
- Code of Business Conduct and Ethics
- Compensation Committee Chair Position Description
- Compensation Committee Mandate
- Disclosure, Confidentiality and Trading Policy
- Health Safety & Environment Chair Position Description
- Health Safety & Environment Committee Mandate
- Lead Director Position Description
- Majority Voting Policy
- Nominating Committee Chair Position Description
- Nominating Committee Mandate
- Reserves Committee Chair Position Description
- Reserves Committee Mandate
- Share Ownership Guidelines
- Whistleblower Policy

Corporate Governance - Board of Directors

Geri L. Greenall *[1, 2, 5]*
Lead Director, Independent

Common shares	38,500
Stock options	163,000
2020 Director fees	$ 4,167

William C. Guinan *[4]*
Board Chair, Independent

Common shares	1,154,459
Stock options	169,000
2020 Director fees	$ 4,167

Michael R. Shea *[2, 3, 5]*
Director, Independent

Common shares	544,320
Stock options	143,000
2020 Director fees	$ 4,167

Neil G. Sinclair *[1, 3, 4, 5]*
Director, Independent

Common shares	2,563,141
Stock options	169,000
2020 Director fees	$ 4,167

Janet E. Vellutini *[1, 2, 3]*
Director, Independent

Common shares	Nil
Stock options	36,000
2020 Director fees	Nil

David J. Wilson *[4]*
President & Chief Executive Officer

Common shares	24,974,992
Stock options	849,000
2020 Director fees	Nil

Louise K. Lee
Corporate Secretary

Common shares	12,900
Stock options	30,000

Notes:

[1] Member, Audit Committee.

[2] Member, Reserves Committee.

[3] Member, Compensation Committee.

[4] Member, Health, Safety and Environment Committee.

[5] Member, Nominating Committee.

Leadership - Management

David J. Wilson
President & Chief Executive Officer

Common shares	24,974,992
Stock options	849,000
RSUs	185,000
2020 Salary + bonus	$ 10,391

Sadiq H. Lalani
Vice President & Chief Financial Officer

Common shares	1,749,045
Stock options	569,000
RSUs	43,500
2020 Salary + bonus	$ 206,166

Douglas J. Errico
Senior Vice President, Land and Corporate Development

Common shares	475,478
Stock options	483,000
RSUs	43,500
2020 Salary + bonus	$ 235,391

Alan G. Franks
Vice President, Production

Common shares	604,105
Stock options	463,000
RSUs	38,500
2020 Salary + bonus	$ 206,166

Bruce D. Gigg
Vice President, Engineering

Common shares	185,904
Stock options	438,000
RSUs	38,500
2020 Salary + bonus	$ 206,166

David A. Gillis
Vice President, Finance

Common shares	26,596
Stock options	483,000
RSUs	30,000
2020 Salary + bonus	$ 203,130

Douglas O. MacArthur
Vice President, Operations

Common shares	960,911
Stock options	463,000
RSUs	38,500
2020 Salary + bonus	$ 215,391

Patrick W. G. Miles
Vice President, Exploration

Common shares	863,183
Stock options	463,000
RSUs	38,500
2020 Salary + bonus	$ 215,391

Carol Van Brunschot
Vice President, Marketing

Common shares	39,739
Stock options	483,000
RSUs	38,500
2020 Salary + bonus	$ 203,037

Abbreviations

GAAP: Canadian generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting.*
IFRS: International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IASB**').
P&NG: Petroleum and natural gas
AFFO: Adjusted funds from operations
WTI: West Texas Intermediate
MSW: Medium Sweet Blend
NYMEX: New York Mercantile Exchange
AECO: Alberta Energy Company "C" Meter Station of the NOVA Pipeline System
MRF: Modernized Royalty Framework (Alberta)
PDP: Proved developed producing reserves.
1P: Proved reserves.
2P or P+P: Proved plus probable reserves.
BOE/d: barrels of oil equivalent per day
bbls/d: barrels per day
Mcf/d: thousand cubic feet per day
GJ: gigajoules
LT: long tonnes
MM: million
LNG: liquefied natural gas

Disclaimer

Forward-Looking Statements

Certain statements included in this corporate presentation (the **"Presentation"**) constitute forward-looking statements or forward-looking information under applicable securities legislation. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "goal", "objective", "assume", "forecast" or similar words suggesting future outcomes or statements regarding an outlook.

Forward looking statements or information in this Presentation include, but are not limited to, statements or information with respect to: Kelt Exploration Ltd.'s (**"Kelt"** or the **"Company"**) business strategy and objectives; statements with respect to the performance characteristics of Kelt's oil and natural gas properties and wells; potential future drilling locations; development plans, exploration plans, delineation drilling, in-fill drilling, optimization plans and effect on costs and production; the Company's focus for 2021, including capital expenditures, budgeted drilling and completion costs per well, drilling program, maintaining a strong balance sheet and cost reductions; anticipated production including production mix; estimated recoverable resources; expansion of infrastructure; timing of drilling and completions; plans to investigate or participate in infrastructure projects; the Company's plan to continue to evaluate construction of processing facilities and sales pipelines; forecasted pricing; actual and estimated internal rates of return, which include assumptions respecting production and other costs, pricing, well depths, royalty rates and taxes and budgeted activities, financial and operating results with lower oil, NGL and gas prices; economic metrics including capital, IRR, net present values, EUR, netbacks, and production rates; that the estimated future production and operating income for development wells will be sufficient to payback the drill and complete capital costs incurred for each respective well; the expectation that the Company's gas market diversification will limit exposure to single market risk.

In addition, the statements contained herein relating to "reserves" and "resources" are by their nature forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves or resources described exist in the quantities predicted or estimated and that the reserves or resources can be profitably produced in the future. Actual reserves or resources may be greater than or less than the estimates provided herein.

Future Oriented Financial Information

This Presentation contains Future Oriented Financial Information ("FOFI") within the meaning of applicable securities laws. The FOFI has been prepared by Kelt's management to provide an outlook of the Company's activities and results. The FOFI has been prepared based on a number of assumptions including the assumptions discussed under the heading "Forward Looking Statements" and assumptions with respect to the costs and expenditures to be incurred by the Company, capital equipment and operating costs, foreign exchange rates, taxation rates for the Company, general and administrative expenses and the prices to be paid for the Company's production. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the FOFI or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not objectively determinable.

Disclaimer

The actual results of operations of the Company and the resulting financial results will likely vary from the amounts set forth in the analysis presented in this Presentation, and such variation may be material. The Company and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is highly subjective and subject to numerous risks including the risks discussed under the heading "Forward Looking Statements", it should not be relied on as necessarily indicative of future results.

Except as required by applicable securities laws, Kelt undertakes no obligation to update such FOFI and forward-looking statements and information.

Assumptions

Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct.

In addition to other factors and assumptions which may be identified in this Presentation, assumptions have been made regarding, among other things: commodity prices; the accuracy of geological and geophysical data and its interpretations of that data; estimated decline rates; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the Company to operate in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; that the Company will have sufficient cash flow, debt or equity or other financial resources to fund its capital and operating expenditures as needed; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; that the estimates of the Company's reserve volumes and assumptions related thereto are accurate in all material respects; and the ability of the Company to successfully market its oil and natural gas products.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Disclaimer

Risks and Uncertainties

Forward looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward looking statements or information. These risks and uncertainties which may cause actual results to differ materially from the forward looking statements or information include, among other things: the ability of management to execute its business plan; general economic and business conditions; the risk of instability affecting the jurisdictions in which the Company operates; the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; risks and uncertainties involving geology of oil and gas deposits; the uncertainty of reserves estimates and reserves life; the ability of the Company to add production and reserves through acquisition, development and exploration activities; the Company's ability to enter into or renew leases; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production (including decline rates), costs and expenses; fluctuations in oil and gas prices, foreign currency exchange rates and interest rates; risks inherent in the Company's marketing operations, including credit risk; uncertainty in amounts and timing of royalty payments; health, safety and environmental risks; risks associated with potential future lawsuits and regulatory actions against the Company; uncertainties as to the availability and cost of financing; changes in income tax rates; changes in incentive programs related to the oil and gas industry; and financial risks affecting the value of the Company's investments.

Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

No Obligation to Update

The forward looking statements or information contained in this Presentation are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise unless required by applicable securities laws.

The forward looking statements or information contained in this Presentation are expressly qualified by this cautionary statement.

Disclaimer

Oil and Gas Advisories

Barrel of Oil Equivalent Presentation

This Presentation contains various references to the abbreviation BOE which means barrels of oil equivalent. Where amounts are expressed on a 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 and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on current prices. Such abbreviation may be misleading, particularly if used in isolation.

References to **"oil"** in this Presentation include crude oil and field condensate.

References to **"natural gas liquids"** or **"ngls"** include pentane, butane, propane, and ethane.

References to **"liquids"** includes crude oil, field condensate and ngls.

References to **"gas"** in this discussion include natural gas and sulphur.

Type Well Production and Economics

This Presentation contains references to type well, or "type curve", production and economics, which are derived, at least in part, from available information respecting the well economics of other companies and, as such, there is no guarantee that Kelt will achieve the stated or similar results, capital costs and return costs per well. Any references to peak rates, test rates or initial production rates or declines are useful for confirming the presence of hydrocarbons, however, such rates and declines are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or ultimate recovery. In addition, such rates or declines may also include recovered fluids used in well completion stimulation.

Readers are cautioned not to place reliance on such rates in calculating aggregate production for the Company.

Disclaimer

Reserves

Unless otherwise specified, reserve estimates disclosed in this Presentation were prepared by Sproule Associates Limited ("**Sproule**") in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**") and using Sproule's forecast prices. There is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward looking statements. EUR is not indicative of reserves. Estimates of the net present value of the future net revenue from Kelt's reserves do not represent the fair market value of Kelt's reserves. Reserves estimates contained herein have been made assuming that funding is likely to be available to Kelt for the development of the applicable property.

Future Drilling Locations

Unless otherwise specified, the information in this Presentation pertaining to future drilling locations or drilling inventories is based solely on internal estimates made by management and such locations have not been reflected in any independent reserve or resource evaluations prepared pursuant to NI 51-101. Similarly, unless otherwise specified, the information in this Presentation pertaining to targeted reserve volumes from future drilling is intended to indicate that in making its internal drilling decisions, the Company seeks to target drilling locations that, based on previous drilling results and its own internal assessments, it believes will on average ultimately generate the indicated volumes. This Presentation discloses drilling locations which are unbooked locations and are internal estimates based on Kelt's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources and have been identified by management as an estimation of multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Kelt will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Estimated Ultimate Recovery

Estimated Ultimate Recovery ("**EUR**") is an approximation of the quantity of oil or gas that is potentially recoverable or has already been recovered from a reserve or well. EUR is not a defined term within the COGE Handbook and therefore any reference to EUR in this Presentation is not deemed to be reported under the requirements of NI 51-101. Readers are cautioned that there is no certainty that the Company will ultimately recover the estimated quantity of oil or gas from such reserves or wells.

Disclaimer

Financial Advisories

All dollar amounts are referenced in Canadian dollars, except when otherwise noted.

Non-GAAP Financial Measures and Other Key Performance Indicators

This Presentation contains certain financial measures, as described below, which do not have standardized meanings prescribed by GAAP. In addition, this Presentation contains other key performance indicators ("KPI"), financial and non-financial, that do not have standardized meanings under the applicable securities legislation. As these non-GAAP financial measures and KPI 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.

Non-GAAP Financial Measures

"Operating income" is calculated by deducting royalties, production expenses and transportation expenses from oil and gas revenue, after realized gains or losses on associated financial instruments. The Company refers to operating income expressed per unit of production as an **"Operating netback"**.

"Adjusted funds from operations" is calculated as cash provided by operating activities before changes in non-cash operating working capital, and adding back: transaction costs associated with acquisitions and dispositions, provisions for potential credit losses, and settlement of decommissioning obligations. Adjusted funds from operations per common share is calculated on a consistent basis with net income (loss) per common share, using basic and diluted weighted average common shares as determined in accordance with GAAP. Adjusted 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, net income or other measures of financial performance calculated in accordance with GAAP. For a reconciliation of cash provided by operating activities to adjusted funds from operations and the calculation of operating income derived from the individual financial statement line items in accordance with GAAP see the management's discussion and analysis of the financial condition and results of operations of the Corporation.

Disclaimer

“Net bank debt” (surplus)” is equal to “bank debt”, net of “working capital deficit (surplus)”. Working capital deficit (surplus) excludes current bank debt, current outstanding convertible debentures, and assets and liabilities held for sale. “Net bank debt (surplus)” is calculated by adding the working capital deficit (surplus) to bank debt. The Company uses a “net bank debt (surplus) and working capital deficit (surplus) to annualized quarterly adjusted funds from operations ratio” and as a benchmark on which management monitors the Company’s capital structure and short-term financing requirements. Management believes that this ratio, as well as the Company’s “net bank debt (surplus)”, provides investors with information to understand the Company’s liquidity risk. The “net bank debt (surplus) and working capital deficit (surplus) to annualized quarterly adjusted funds from operations ratio” is also indicative of the “net debt (surplus) to cash flow” calculation used to determine the applicable margin for a quarter under the Company’s Credit Facility agreement (though the calculation may not always be a precise match, it is representative).

"Kelt Revenue" is a non-GAAP measure and is calculated by deducting the cost of purchases from petroleum and natural gas sales (before royalties). “Average realized prices” are calculated based on “Kelt Revenue” divided by production and reflect the Company's realized selling prices plus the net benefit of oil blending/marketing activities. In addition to using its own production, the Company may purchase butane and crude oil from fourth parties for use in its blending operations, with the objective of selling the blended oil product at a premium. Marketing revenue from the sale of third-party volumes is included in total petroleum and natural gas sales as reported in the Consolidated Statement of Net Income (Loss) and Comprehensive Income (Loss) in accordance with GAAP. Given the Company’s per unit operating statistics disclosed throughout this MD&A are calculated based on Kelt’s production volumes, management believes that disclosing its average realized prices based on Kelt Revenue is more appropriate and useful, because the cost of third-party volumes purchased to generate the incremental marketing revenue has been deducted.

Other Key Performance Indicators

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.

NPV10% BT: the anticipated net present value of the future net cash flow before taxes and after capital expenditures, discounted at a rate of 10%.

Disclaimer

IRR: Internal rate of return. IRR is the discount rate required to arrive at a NPV equal to zero. Rates of return set forth in this Presentation are for illustrative purposes. There is no guarantee that such rates of return will be achieved in the future.

Reserves Replacement: the estimated amount of reserves added to the reserves base during the year relative to the amount of oil and gas produced.

IP30: the initial production from a well for the first 720 hours (30 days) based on operating/producing hours.

Finding, development and acquisition ("FD&A") cost: is the sum of capital expenditures incurred in the period and the change in future development capital ("FDC") required to develop reserves. FD&A cost per BOE is determined by dividing current period net reserve additions into the corresponding period's FD&A cost. Readers are cautioned that the aggregate of capital expenditures incurred in the year, comprised of exploration and development costs and acquisition costs, and the change in estimated FDC generally will not reflect total FD&A costs related to reserves additions in the year. For calculations relating to FD&A costs and recycle ratios, see the management's discussion and analysis of the financial condition and results of operations of the Company for the year ended December 31, 2020.

Recycle ratio: is a measure for evaluating the effectiveness of a company's re-investment program. The ratio measures the efficiency of capital investment by comparing the operating netback per BOE to FD&A cost per BOE.

Net asset value per common share: is calculated by adding the present value of petroleum and natural gas reserves, undeveloped land value and proceeds from exercise of stock options, less the present value of decommissioning obligations and bank debt, net of working capital, and dividing by the diluted number of common shares outstanding. The calculation of proceeds from exercise of stock options and the diluted number of common shares outstanding only include stock options that are "in-the-money" based on the closing price of KEL common shares as at the calculation date. The diluted number of common shares outstanding includes common shares issuable upon conversion of the convertible debentures that are "in-the-money" based on the closing price of KEL common shares as at the calculation date.

Corporate Presentation

kelt exploration

Kelt Exploration Ltd.
Suite 300, East Tower
311 – Sixth Avenue SW
Calgary, Alberta
Canada T2P 3H2
Phone: 403-294-0154
Fax: 403-291-0155
Website: www.KeltExploration.com