kelt exploration

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May 7, 2025

Report on Measures Against Forced Labour and Child Labour

For the Year Ended December 31, 2024

Introduction

This report ("Report") is produced on behalf of Kelt Exploration Ltd and its wholly owned subsidiary Kelt Exploration (LNG) Ltd. (collectively "Kelt", the "Company", "we", or "our") for the financial year beginning January 1, 2024 and ending December 31, 2024. This Report has been prepared in accordance with the Government of Canada's Fighting Against forced Labour and Child Labour in Supply Chains Act (the "Act") and sets out the steps Kelt has taken to prevent and reduce the risk that forced labour or child labour is used at any step of its supply chains for the year ended December 31, 2024.

Structure and activities

Kelt is an oil and gas company based in Calgary, Alberta, focused on the exploration, development and production of crude oil and natural gas resources in Alberta and British Columbia Canada. Kelt is incorporated under the Business Corporations Act (Alberta) and its common shares are listed on the Toronto Stock Exchange under the symbol "KEL". The Company's British Columbia assets are operated by Kelt Exploration (LNG) Ltd., a wholly owned subsidiary of Kelt. The business plan of Kelt is to create sustainable and profitable growth as a participant in the oil and gas industry in Canada. Kelt's supply chain is managed centrally in Calgary, Alberta within the Company's Finance and Operations departments.

As of December 31, 2024 Kelt had 62 full-time employees and 3 part-time employees located at its head office in Calgary Alberta, and 23 full time employees at various field operational sites in Western Canada. In addition, the Company utilizes third-party consultants and contractors at its head office and at its field operational sites in Western Canada. Kelt does not have any international operations or employees located outside of Canada.

Kelt holds joint venture interest in assets located in Alberta and British Columbia that are not operated by Kelt. Kelt's joint venture operators are required to adhere to all applicable laws and regulations. Statements in this report regarding Kelt's operations, assets and values apply only to Kelt's operated assets.

Additional information regarding our corporate structure and activities can be found in our 2024 Annual Information Form and annual financial statements and related management's discussion and analysis for the year ended December 31, 2024, which are posted on our website at www.keltexploration.com and filed on SEDAR+ (www.sedarplus.ca).

Supply Chains

Kelt's supply chain consists of suppliers, vendors and contractors ("Suppliers") who provide goods and services in connection with oil and gas exploration, development and production processes. In 2024, approximately 98% of the Company's Suppliers were domiciled in Canada, with approximately 2% of the Company's Suppliers domiciled in the United States. Although 98% of Kelt's Suppliers are domiciled in Canada, it should be noted that some of Kelt's Suppliers may be using goods originating from jurisdictions outside of Canada and the United States. Kelt's Suppliers are from a wide range of sectors, including oil and gas equipment and services, construction and engineering, oil and gas transportation, oil and gas drilling, trucking companies, government and more.

Kelt's procurement process is currently managed by department heads and their respective teams to onboard Suppliers who align with Kelt's policies and procedures.

Kelt continues to evaluate its new and existing Suppliers, and its policies around its supply chain with respect to the Company's commitment to its compliance with the Act and the prevention of forced labour and child labor in our supply chains.

Policies

Kelt is committed to meeting industry standards in each jurisdiction in which it operates with respect to human rights, environment, health and safety policies. Management, employees and contractors are asked to comply with Kelt's environment, health and safety policies as well as all applicable federal, provincial and municipal legislation and regulations. Kelt has established roles and responsibilities to facilitate effective management of its environment, health and safety policies throughout the organization. It is the primary responsibility of the managers, supervisors and other senior field staff of Kelt to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed.

Kelt's policies and committees include the following which are located on the Company's website:

a. A Whistleblower policy, which encourages employees to submit all good faith concerns and complaints on a variety of subjects, including violations or possible violations of applicable laws, without fear of retaliation;
b. A Code of Business Conduct and Ethics policy, which endorses compliance with applicable governmental laws, rules and regulations, sets out that Kelt does not tolerate illegal discrimination or harassment, and sets out that Kelt strives to provide a safe and healthy workplace for all employees; and
c. A Health, Safety, Environment and Sustainability Committee Mandate, which provides that the Committee has a duty to review Kelt's health and safety policies, monitor to ensure that policies, practices and procedures comply with applicable requirements, assess effective implementation of policies, and review the effectiveness of Kelt's response to health, safety, environmental and sustainability issues, including compliance with applicable legislation, regulatory requirements and industry standards.

Due Diligence Processes and Risk Assessment and Management

Kelt expects its Suppliers to conduct business in a lawful and ethical manner. Kelt's business activities are carried out exclusively in Western Canada in compliance with applicable labour and employment laws, including those governing minimum working age and working conditions. As such, the Company believes that there is minimal risk of forced labour or child labour in its direct operations, and therefore its due diligence processes have focused on the risk of forced labour and child labour in its supply chain originating from products sourced from outside of Canada.

Specifically and relevant to our compliance with the Act, in 2025 Kelt performed the following measures to assess the risk of forced labour and child labour in its supply chains:

Kelt reviewed its supply chain for the year ended December 31, 2024, determining that 98% of all Kelt's Suppliers were domiciled in Canada and therefore subject to Canadian laws and regulations. Kelt then focused on reviewing its Suppliers which may be importing goods in their supply chains which originate from jurisdictions outside of Canada. Of Kelt's top 23 Suppliers, covering approximately 54% of all payments made in 2024, ten Suppliers, covering approximately 36% of Kelt's 2024 payments, were determined to potentially be using goods in their supply chains which could originate from jurisdictions from outside Canada. Kelt confirmed to nine of these 10 Suppliers the Company's commitment to conducting its

business in an ethical manner, including its commitment to the prevention and identification of forced labour or child labour in its supply chains and its requirements for its Suppliers to follow the same commitment. All nine Suppliers provided a certification that they were not aware, and that they take commercially reasonable steps to ensure, that there are no activities, practices or conduct that constitutes child labour or forced labour in their operations or supply chains. And one Supplier provided its Modern Slavery Act policy that states its goal is to put in place reasonable measures to mitigate the risk of the use of forced labour and child labour in its supply chains.

As part of this Supplier review, Kelt did not identify any instances of forced labour or child labour within its supply chain. In addition, Kelt is not aware of any instances of forced labour or child labour in its operations or supply chain in 2024. As such, Kelt did not take remedial measures with respect to forced labour or child labour, or measures to remediate the loss of income resulting from any measure taken to eliminate the use of forced labour or child labour. Kelt currently does not provide specific training on the risk of forced labour and child labour in its supply chains, however it does expect all employees and contactors to follow all government laws and regulations and to conduct themselves honestly and ethically at all times.

In 2024, Kelt measured its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chain through its whistleblower policy, through its Code of Business Conduct and Ethics which expects employees and contractors to adhere to all governmental laws and regulations and to conduct themselves honestly and ethically, and through the Health, Safety, Environment and Sustainability Committee, which pursuant to its mandate reviews the effectiveness of Kelt's response to health, safety, environmental and sustainability issues. Additionally, in 2025 and in 2024, Kelt assessed its effectiveness that forced labour and child labour were not being used in its business and supply chain through the quantitative information gathered through its key Supplier confirmation process.

Approval and Attestation

This Report was approved by Kelt's Board of Directors in respect of the Company and its subsidiaries listed above on May 7, 2025 pursuant to paragraph 11(4)(b)(ii) of the Act

This statement is made in accordance with subparagraph 11(4)(a) of the Government of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purpose of the Act, for the reporting year listed above

I have the authority to bind Kelt Exploration Ltd

DATED at Calgary, Alberta, this 7th day of May, 2025

(signed) "*David J. Wilson*".
David J. Wilson
Chairman, and Chief Executive Officer