PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
March 10, 2022
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2021

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the fourth quarter and year ended December 31, 2021. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended December 31			Year ended December 31		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Petroleum and natural gas sales	**120,523**	41,961	187	**316,763**	207,156	53
Cash provided by operating activities	**52,056**	3,288	1483	**159,714**	59,279	169
Adjusted funds from operations [(1)]	**68,155**	10,758	534	**161,394**	58,832	174
Basic ($/ common share) [(1)]	**0.36**	0.06	500	**0.85**	0.31	174
Diluted ($/ common share) [(1)]	**0.35**	0.06	483	**0.85**	0.31	174
Net income (loss) and comprehensive income (loss)	**52,996**	26,018	104	**114,256**	(324,807)	135
Basic ($/ common share)	**0.28**	0.14	100	**0.61**	(1.73)	135
Diluted ($/ common share)	**0.28**	0.14	100	**0.60**	(1.73)	135
Capital expenditures, net of A&D [(1)]	**67,118**	24,470	174	**213,511**	(353,957)	160
Total assets	**913,497**	759,987	20	**913,497**	759,987	20
Bank debt	**1,150**	-	-	**1,150**	-	-
Net debt (surplus) [(1)]	**28,220**	(27,655)	202	**28,220**	(27,655)	202
Shareholders' equity	**722,724**	603,684	20	**722,724**	603,684	20
Weighted average shares outstanding (000s)						
Basic	**189,134**	188,551	-	**188,800**	188,093	-
Diluted	**192,676**	189,270	2	**190,807**	188,093	1

(1) Refer to advisories regarding non-GAAP and other financial measures.

FINANCIAL STATEMENTS

Kelt's audited annual consolidated annual financial statements and related notes for the year ended December 31, 2021 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 March 10, 2022.

Kelt's operating results for the fourth quarter and year ended December 31, 2021 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended December 31			Year ended December 31		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Average daily production						
Oil (bbls/d) (2)	**6,624**	4,057	63	**4,692**	7,057	-34
NGLs (bbls/d)	**3,255**	2,722	20	**3,154**	4,161	-24
Gas (mcf/d)	**95,616**	58,179	64	**78,846**	82,646	-5
Combined (BOE/d)	**25,815**	16,476	57	**20,987**	24,992	-16
Production per million common shares (BOE/d) (1)	**136**	87	56	**111**	133	-17
Net realized prices, before financial instruments(1)						
Oil ($/bbl) (2)	**91.43**	50.30	82	**81.30**	40.80	99
NGLs ($/bbl)	**50.03**	22.42	123	**40.03**	15.04	166
Gas ($/mcf)	**5.46**	2.91	88	**4.35**	2.33	87
Operating netbacks ($/BOE) (1)						
Petroleum and natural gas sales	**50.75**	27.69	83	**41.35**	22.65	83
Cost of purchases	**(0.74)**	(1.28)	-42	**(0.83)**	(0.92)	-10
Combined net realized price, before financial instruments(1)	**50.01**	26.41	89	**40.52**	21.73	86
Realized gain (loss) on financial instruments	**(2.62)**	(2.51)	4	**(2.14)**	0.99	-316
Combined net realized price, after financial instruments(1)	**47.39**	23.90	98	**38.38**	22.72	69
Royalties	**(4.17)**	(2.13)	96	**(3.58)**	(1.13)	217
Production expense	**(9.91)**	(9.54)	4	**(9.13)**	(9.56)	-4
Transportation expense	**(3.31)**	(3.83)	-14	**(3.38)**	(3.62)	-7
Operating netback (1)	**30.00**	8.40	257	**22.29**	8.41	165
Land holdings						
Gross acres	**722,281**	800,270	-3	**722,281**	800,270	-3
Net acres	**558,763**	579,764	-4	**558,763**	579,764	-4

(1) Refer to advisories regarding non-GAAP and other financial measures.

(2) "Oil" includes crude oil and field condensate combined

MESSAGE TO SHAREHOLDERS

Kelt Exploration Ltd. ("Kelt" or the "Company") reports its financial and operating results to shareholders for the fourth quarter and year ended December 31, 2021.

Average production for the three months ended December 31, 2021 was 25,815 BOE per day, up 32% compared to average production of 19,621 BOE per day during the third quarter of 2021. On August 21, 2020, Kelt completed the sale of its Inga/Fireweed/ Stoddart Division (the "Inga Assets") for net cash proceeds of $503.9 million. Of the 24,992 BOE per day average production for 2020, 9,052 BOE per day related to the Inga Assets. Average production for 2021 was 20,987 BOE per day, an increase of 32% from pro-forma (excluding Inga Assets) average production of 15,940 BOE per day in 2020. Production for the three months ended December 31, 2021 was weighted 38% to oil and NGLs and 62% to gas.

With political turmoil around the globe, supply chain disruptions stemming from the COVID-19 pandemic, a broad swathe of commodity prices are on the rise globally including crude oil and other fuels.

Kelt's petroleum and natural gas sales during the fourth quarter of 2021 increased 187% to $120.5 million, up from $42.0 million in the same period of the previous year. Oil and gas sales for the year were $316.8 million, up 53% from $207.2 million in 2020. Kelt's realized average oil price during the fourth quarter of 2021 was $91.43 per barrel, up 82% from $50.30 per barrel in the fourth quarter of 2020. The Company's realized average NGLs price during the fourth quarter of 2021 was $50.03 per barrel, up 123% from $22.42 per barrel in the fourth quarter of 2020. Kelt's realized average gas price for the fourth quarter of 2021 was $5.46 per MCF, up 88% from $2.91 per MCF in the fourth quarter of 2020.

For the three months ended December 31, 2021, adjusted funds from operations was $68.2 million ($0.35 per share, diluted), compared to $10.8 million ($0.06 per share, diluted) in the fourth quarter of 2020. Year over year, adjusted funds from operations increased 174% to $161.4 million ($0.85 per share, diluted) from $58.8 million ($0.31 per share, diluted) in 2020. During 2021, Kelt recorded net income of $114.3 million ($0.60 per share, diluted) compared to a net loss of $324.8 million ($1.73 per share, diluted) in the previous year.

At December 31, 2021, Kelt had net debt of $28.2 million compared to a net surplus of $27.7 million at December 31, 2020. With the sale of the Inga Assets in 2020 and an environment of rising commodity prices, Kelt continues to maintain a strong financial position.

Capital expenditures, net of A&D incurred during the three months ended December 31, 2021 were $67.1 million, up 174% compared to capital expenditures, net of A&D of $24.5 million during the fourth quarter of 2020. During the fourth quarter of 2021, the Company spent $28.8 million on drill and complete operations and $37.6 million on well equipment, facilities and pipelines.

As at December 31, 2021, Kelt's net working interest land holdings were 558,763 acres (873 sections). Kelt is focused on long-term value creation by accumulating significant land acreage on resource style plays, with a primary focus on the Triassic Montney oil and liquids-rich gas plays. At December 31, 2021, Kelt's net Montney land holdings were 356,719 acres (557 sections). In addition, Kelt holds 73,347 net acres (114.6 net sections) in the Triassic Charlie Lake play in Alberta.

At Oak/Flatrock, Kelt commenced operations at its newly constructed Oak 6-35 gas compression and oil battery facility as outlined in a comprehensive operations update previously reported in the Company's news release on February 17, 2022. The seven Upper Montney wells that were put on production during the month of November 2021 continue to meet and in most cases exceed expectations.

At Pouce Coupe, Kelt drilled, completed, and put on production four Montney wells in the oil-prone area of the Company's land base during 2021. At Pouce Coupe West, Kelt drilled two Montney wells during the fourth quarter of 2021 in its high deliverability gas-prone area. Subsequently, in early 2022, the Company completed both wells. The first well has been put on production and the second well is expected to commence production in the second quarter after construction of a pipeline connection is completed. At Spirit River, Kelt drilled, completed and put on production two Charlie Lake wells during 2021. The Company plans to follow-up with six additional Charlie Lake wells on its Progress/Spirit River land base in 2022.

At Wembley/Pipestone, on the southeastern portion of its 168-section Montney land block, Kelt completed the construction of its Phase 1 pipeline in late 2021 and is currently constructing Phase 2. On the northwestern portion of its land base, Kelt has commenced a 4-well pad and a 3-well pad development program. One of the wells on the 4-well pad will be drilled in a previously untested lower Montney zone (D1) that, if successful, could unlock significant inventory upside at Wembley/Pipestone where Kelt is already developing three other layers in the Montney formation. The Company expects to bring 15 Montney wells on production at Wembley/Pipestone during 2022.

In anticipation of continued production growth, Kelt has been proactively seeking additional gas processing capability in all of its core operating areas through agreements with third party facility owners. In Alberta, Kelt expects to add 15 MMcf/d of additional gas processing capacity in 2022, 25 MMcf/d of capacity in 2023 and an additional 25 MMcf/d of capacity in late 2023/early 2024. At Oak in British Columbia, Kelt has the ability to add firm capacity as needed as the Company continues to develop its large Montney acreage.

With the strong performance in crude oil pricing, Kelt has revised its 2022 outlook and guidance. The Company has changed its 2022 forecasted average commodity prices as follows: the WTI crude oil price is forecasted to average US$85.00 per barrel, up 18% from the previous forecast of US$72.00 per barrel; and the NYMEX Henry Hub natural gas price is forecasted to average US$4.15 per MMBtu, up 1% from the previous forecast of US$4.10 per MMBtu. The Company will continue to monitor commodity prices and expects to provide updated 2022 guidance, if necessary, by mid-year.

Kelt has increased its 2022 capital expenditure program to $250.0 million, up from a range of $200.0 million to $210.0 million in its previous guidance. Production in 2022 is forecasted to average 31,000 BOE per day, up by 3% or 1,000 BOE per day from the Company's previous guidance. Exit 2022 production is expected to show a higher increase as the additional capital spending will be in the second half of the year giving the Company a strong start to 2023. Adjusted funds from operations is forecasted to be $300.0 million in 2022, up by 22% or $55.0 million from Kelt's previous forecast. The Company's financial position continues to remain strong as Kelt is forecasting a net surplus of $19.0 million at the end of 2022, giving the Company the ability to act on additional opportunities as they arise.

Kelt expects to report to shareholders its 2022 first quarter results on or about May 5, 2022.

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 advisories regarding forward-looking statements and to the cautionary statement 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 the calendar year 2022. 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", "potentially" 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: Kelt's expected price realizations and future commodity prices; the cost and timing of future capital expenditures and expected results; the Company's ability to continue accumulating land at a low-cost in its core operating areas and potentially monetize non-core assets; the expected timing of well completions, the expected timing of wells bring brought on-production, the expected timing of facility expenditures, the expected timing of facility start-up dates, the expected timing of production additions from capital expenditures; obtaining third party additional processing capacity in years 2022, 2023, and 2024, and the Company's expected future financial position and operating results.

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, operational risks in development, exploration and production; risks associated with the COVID-19 pandemic; 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; 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.

Certain information set out herein may be considered as "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 the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

NON-GAAP AND OTHER KEY FINANCIAL MEASURES

This press release contains certain financial measures, as described below, which do not have standardized meanings prescribed by GAAP. In addition, this press release contains capital management measures, and supplementary financial measures that do not have standardized meanings under the applicable securities legislation. As these non-GAAP and other financial 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.

NON-GAAP FINANCIAL MEASURES

Net realized price

Net realized price is a non-GAAP measure and is calculated by deducting the cost of purchases from petroleum and natural gas sales (before royalties), divided by the Company's production and reflects Kelt'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 press release are calculated based on Kelt's production volumes, management believes that disclosing its net realized prices based on petroleum and natural gas sales after cost of purchases is more appropriate and useful, because the cost of third-party volumes purchased to generate the incremental marketing revenue has been deducted. Net realized prices referenced throughout this press release are before financial instruments, except as otherwise indicated as being after financial instruments.

Operating netback

Operating netback is a non-GAAP measure calculated by deducting royalties, production expenses and transportation expenses from petroleum and natural gas sales, net of the cost of purchases and after realized gains or losses on associated financial instruments. The Company also presents operating netbacks on a per boe basis which allows management to better analyze performance against prior periods, on a comparable basis, and is a key industry performance measure of operational efficiency.

See the "Adjusted Funds from Operations" section of Kelt's Management's Discussion and Analysis as at and for the year ended December 31, 2021, which provides a reconciliation of the operating netback from P&NG sales, which is a GAAP measure.

Capital Expenditures

"Capital expenditures, before A&D" and "Capital expenditures, net of A&D" are measures the Company uses to monitor its investment in exploration and evaluation, investment in property plant and equipment, and net investment in acquisition and disposition activities. The most directly comparable GAAP measure is Cash provided by (used in) financing activities, and is calculated as follows:

(CA$ thousands, except as otherwise indicated)	Three months ended December 31 2021	2020	Year ended December 31 2021	2020
Cash (provided by) used in financing activities	**74,421**	17,208	**191,540**	(326,606)
Change in non-cash investing working capital	**(7,303)**	7,262	**21,971**	(27,351)
Capital expenditures, net of A&D	**67,118**	24,470	**213,511**	(353,957)
Property acquisitions (1)	**(36)**	(327)	**(252)**	(2,343)
Property dispositions (1)	**(57)**	102	**9,048**	508,389
Capital expenditures, before A&D	**67,025**	24,245	**222,307**	152,089

(1) Property acquisitions and property dispositions for the year ended December 31, 2021 includes $0.2 million of non-cash consideration. Property acquisitions and property dispositions for the year ended December 31, 2020 includes $2.3 million of non-cash consideration.

CAPITAL MANAGEMENT MEASURES

Adjusted funds from operations

Management considers adjusted funds from operations as a key capital management measure as it demonstrates the Company's ability to meet its financial obligations and cash flow available to fund its capital program. Adjusted funds from operations are not standardized measures and therefore may not be comparable with the calculation of similar measures by other entities.

Adjusted funds from operations is calculated as follows:

(CA$ thousands, except as otherwise indicated)	Three months ended December 31 2021	2020	Year ended December 31 2021	2020
Cash provided by operating activities	**52,056**	3,288	**159,714**	59,279
Change in non-cash working capital	**15,058**	6,620	**(1,903)**	(2,392)
Settlement of decommissioning obligations	**1,041**	850	**3,583**	1,945
Adjusted funds from operations	**68,155**	10,758	**161,394**	58,832

Net debt (surplus)

Management considers net debt (surplus) as a key capital management measure to assess the Company's liquidity at a point in time and to monitor its capital structure and short-term financing requirements.

"Net debt (surplus)" is equal to bank debt, accounts payable and accrued liabilities, net of cash and cash equivalents, accounts receivables and accrued sales and prepaid expenses and deposits. The Company previously disclosed a "Net bank debt (surplus)" for its non-GAAP measure which was used to understand the Company's liquidity risk. In the third quarter of 2021, the Company replaced its "Net bank debt (surplus)" non-GAAP measure with a "Net debt (surplus)" non-GAAP measure. "Net bank debt (surplus)" was equal to bank debt, plus current liabilities, less current assets. The Company believes that using a "Net debt (surplus)" non-GAAP measure, which excludes non-cash derivative financial instruments, non-cash lease liabilities, and non-cash decommissioning obligations, provides investors with more useful information to understand the Company's cash liquidity risk.

Net debt (surplus) is calculated as follows:

	December 31, 2021	December 31, 2020
Bank debt	**1,150**	-
Accounts payable and accrued liabilities	**72,453**	36,565
Cash and cash equivalents	**(719)**	(31,570)
Accounts receivable and accrued sales	**(42,584)**	(20,954)
Prepaid expenses and deposits	**(2,080)**	(11,696)
Net debt (surplus)	**28,220**	(27,655)

SUPPLEMENTARY FINANCIAL MEASURES

"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.

P&NG sales, cost of purchases, realized gain (loss) on financial instruments, royalties, revenue after royalties and financial instruments, production expenses, transportation expenses, financing expenses, G&A expenses, realized gain (loss) on financial instruments, gain (loss) on derivative financial instruments, realized loss (gain) on foreign exchange, other income/expense, stock option expense, expiry of mineral leases, depletion and depreciation, impairment (reversal) on a $/BOE basis is calculated by dividing the amounts by the Company's total production over the period.

Adjusted funds from operations per share (basis) and net income (loss) and comprehensive income (loss) per share (basis) is calculated by dividing the amounts by the basic weighted average common shares outstanding.

Adjusted funds from operations per share (diluted) and net income (loss) and comprehensive income (loss) per share (diluted) is calculated by dividing the amounts by the diluted weighted average common shares outstanding.

MEASUREMENTS

All dollar amounts are referenced in thousands of Canadian dollars, except when noted otherwise. This press release 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 either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation. References to "oil" in this press release include crude oil and field condensate. References to "natural gas liquids" or "NGLs" include pentane, butane, propane, and ethane. References to "liquids" include field condensate and NGLs. 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
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 Henry Hub	New York Mercantile Exchange natural gas pricing hub
US$	United States dollars
CA$	Canadian dollars
TSX	the Toronto Stock Exchange
KEL	trading symbol for Kelt Exploration Ltd. common shares on the TSX
GAAP	Generally Accepted Accounting Principles

For further information, please contact:

KELT EXPLORATION LTD., Suite 300, 311 – 6th Avenue SW, Calgary, Alberta, Canada T2P 3H2

DAVID J. WILSON, President and Chief Executive Officer (403) 201-5340, or
SADIQ H. LALANI, Vice President and Chief Financial Officer (403) 215-5310.
Or visit our website at www.keltexploration.com.