PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
September 12, 2022
Calgary, Alberta

KELT PROVIDES AN UPDATE ON THE IMPACT OF CURRENT WESTERN CANADA NATURAL GAS PRICES

Kelt Exploration Ltd. ("Kelt" or the "Company") is providing an operations update with respect to the potential impact that current weak AECO and Station 2 spot gas prices may have to its 2022 operating and financial results.

Production Downtime

Commencing during the third week of August 2022, daily AECO and Station 2 spot prices dropped significantly as a result of pipeline maintenance on the NGTL and T-South systems, an unplanned compressor failure in Alberta and restrictions to gas storage injections. Given the short-term nature of these low daily index prices, Kelt believed it would be prudent to temporarily shut-in certain drier gas wells in anticipation of a short turnaround price recovery. As a result, the Company shut-in significant gas volumes on certain days in both Alberta and British Columbia. Subsequently, current AECO prices have rebounded, however, AECO prices could remain volatile through September and October as further maintenance on the NGTL system is completed. Based on published maintenance upgrades on the T-South natural gas transmission system, it is expected that Station 2 prices should recover after maintenance is expected to be completed by September 16, 2022.

On September 2, 2022, the TWM Pipestone Plant where Kelt processes approximately 33.0 MMcf per day of raw gas was shut-in as it conducts plant turnaround maintenance operations. The plant is expected to be shut-in for approximately three weeks.

2022 Guidance

Kelt is reducing its production guidance to be in a range from 28,500 to 29,500 BOE per day (previously forecasted to be in the range from 30,000 to 31,000 BOE per day). At current future strip pricing for both oil and gas and after adjusting for shut-in production outlined above, Kelt expects its estimated 2022 adjusted funds from operations to be within 3% of its previous forecast of $350.0 million.

The following table summarizes average commodity prices during the first eight months of 2022 and future strip pricing used by Kelt for the remainder of the year:

	Jan-Aug 2022	Sep-Dec 2022 Strip	**Average 2022**	Previous Forecast	Percent Change
Commodity Prices					
WTI Crude Oil (USD/bbl)	100.65	82.25	**94.50**	95.00	(1%)
MSW Oil (CAD/bbl)	126.17	104.88	**119.05**	117.88	1%
NYMEX Natural Gas (USD/MMBtu)	6.26	8.18	**6.90**	6.00	15%
DAWN Natural Gas (USD/MMBtu)	6.27	8.08	**6.88**	5.95	16%
AECO Natural Gas (CAD/MMBtu)	5.52	5.72	**5.59**	5.70	(2%)
Station 2 Natural Gas (CAD/MMBtu)	5.23	5.65	**5.37**	5.54	(3%)
Exchange Rate (CAD/USD)	1.277	1.310	**1.288**	1.280	1%

Oak/Flatrock Program Update

After a hiatus in issuing new well permits that commenced over a year ago, the BC Oil and Gas Commission has granted Kelt several new permits for drilling operations at Oak/Flatrock. During the fourth quarter of 2022, Kelt expects to drill and complete two Upper Montney wells off an existing pad on the western part of its Oak land block and complete an existing Middle Montney DUC well on the eastern part of its lands at Flatrock.

Kelt expects to commence its electrification project of its Oak 6-35 battery and compression facility during the fourth quarter of 2022. Upon electrification, the Company expects to increase gas compression capacity at the facility by approximately 10% to accommodate new development in the area. Electrification of Kelt's facility will result in significant reductions of CO2E emissions and will reduce carbon tax expenses.

In August 2022, the Government of British Columbia, under BC's 2022 Clean Growth Infrastructure Royalty Program, approved Kelt's application to recover approximately 50% of $9.8 million ($4.9 million) in future sustainability related infrastructure capital expenditures through reduced future royalties payable relating to future horizontal Montney wells expected to be drilled at Flatrock.

Outlook

Kelt remains optimistic about the energy industry and the Company's ability to provide shareholders with high rates of return on capital deployed. Kelt will continue to reinvest cash flow into developing its high-quality Montney and Charlie Lake pools.

Changes in forecasted commodity prices and variances in production estimates can have a significant impact on estimated funds from operations and profit. Kelt retains flexibility with its future capital expenditure plans should current market conditions change. Please refer to the advisories regarding forward-looking statements and to the cautionary statement below.

Management looks forward to updating shareholders with 2022 third quarter results on or about November 10, 2022.

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", "execute", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "forecasted" and similar expressions are intended to identify forward-looking information or statements. In particular, this press release contains forward-looking statements pertaining to the following: the expected timing of the drilling and completion of wells, the expected timing of wells being brought on-production, the expected timing of facility expenditures, the expected timing of facility start-up dates, the expected length and timing of facility downtime, timing and approval of permit applications in British Columbia, the expected cost and productivity of capital projects and the estimated future rates of return; 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 including the estimated timing and completion of maintenance on the NGTL

and T-South pipeline systems the uncertainty of the completion of the turnaround maintenance at third party gas plants; the volatility of natural gas prices and the potential of future shut-in production caused by low prices;; 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 Measures and Other Key Financial Measures

This press release refers to adjusted funds from operations, as described below, which does not have a standardized meaning prescribed by GAAP. As this non-GAAP measure is commonly used in the oil and gas industry, the Company believes that its 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.

"Adjusted funds from operations" is calculated as cash provided by (used in) operating activities before changes in non-cash operating working capital and adding back (if applicable): transaction costs associated with acquisitions and dispositions, and settlement of decommissioning obligations. Adjusted funds from operations is used by management as a key measure to assess the ability of the Company to fund operating activities, capital expenditures and the repayment of debt; however, it is not intended to be viewed as an alternative to cash provided by (used in) operating activities, net income (loss) or other measures of financial performance calculated in accordance with GAAP.

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

A&D	Acquisitions and dispositions
AECO	Alberta Energy Company natural gas pricing hub
AESO	Alberta Electric System Operator electric power pricing pool
AFFO	Adjusted funds from operations
Bbls	Barrels
Bbls/d	Barrels per day
BOE	Barrel of oil equivalent

BOE/d	Barrel of oil equivalent per day
CAD or CA$	Canadian dollars
CO2E	Carbon dioxide equivalent
COVID-19	Coronavirus disease caused by the SARS-CoV-2 virus
D&C	Drill and complete
DUC	Drilled but uncompleted
G&A	General and administrative
GAAP	Generally accepted accounting principles
GJ	Gigajoule
KEL	Trading symbol for Kelt Exploration Ltd. common shares on the TSX
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
MM	Million
MMBtu	Million British thermal units
MMcf	Million cubic feet
MMcf/d	Million cubic feet per day
NGLs	Natural gas liquids
NYMEX Henry Hub	Natural gas pricing hub on the New York Mercantile Exchange
P&NG	Petroleum and natural gas
Sfc	Surface location for a well
TSX	The Toronto Stock Exchange
USD or US$	United States of America dollars
WTI	West Texas Intermediate

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