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

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2022

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the fourth quarter and year ended December 31, 2022. 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)	**2022**	2021	%	**2022**	2021	%
Petroleum and natural gas sales	**152,720**	120,523	27	**613,358**	316,763	94
Cash provided by operating activities	**63,742**	52,056	22	**306,022**	159,714	92
Adjusted funds from operations (1)	**92,851**	68,155	36	**326,992**	161,394	103
Basic ($/ common share) (1)	**0.48**	0.36	33	**1.71**	0.85	101
Diluted ($/ common share) (1)	**0.47**	0.35	34	**1.67**	0.85	96
Net income and comprehensive income	**54,238**	52,996	2	**158,758**	114,256	39
Basic ($/ common share)	**0.28**	0.28	-	**0.83**	0.61	36
Diluted ($/ common share)	**0.28**	0.28	-	**0.81**	0.60	35
Capital expenditures, net of A&D (1)	**68,594**	67,118	2	**317,540**	213,511	49
Total assets	**1,128,104**	913,497	23	**1,128,104**	913,497	23
Bank debt	**11,300**	1,150	883	**11,300**	1,150	883
Net debt (1)	**9,789**	28,220	-65	**9,789**	28,220	-65
Shareholders' equity	**901,424**	722,724	25	**901,424**	722,724	25
Weighted average shares outstanding (000s)						
Basic	**191,812**	189,134	1	**191,101**	188,800	1
Diluted	**195,828**	192,676	2	**195,456**	190,807	2

(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, 2022 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 3, 2023.

Kelt's operating results for the fourth quarter and year ended December 31, 2022 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended December 31			Year ended December 31		
(CA$ thousands, except as otherwise indicated)	**2022**	2021	%	**2022**	2021	%
Average daily production						
Oil (bbls/d) (2)	**6,416**	6,624	-3	**5,640**	4,692	20
NGLs (bbls/d)	**3,478**	3,255	7	**4,049**	3,154	28
Gas (mcf/d)	**108,849**	95,616	14	**105,280**	78,846	34
Combined (BOE/d)	**28,036**	25,815	9	**27,236**	20,987	30
Production per million common shares (BOE/d) (1)	**146**	136	7	**143**	111	29
Net realized prices, before financial instruments(1)						
Oil ($/bbl) (2)	**107.88**	91.43	18	**117.18**	81.30	44
NGLs ($/bbl)	**60.54**	50.03	21	**67.64**	40.03	69
Gas ($/mcf)	**6.52**	5.46	19	**6.63**	4.35	52
Operating netbacks ($/BOE) (1)						
Petroleum and natural gas sales	**59.21**	50.75	17	**61.70**	41.35	49
Cost of purchases	**(3.30)**	(0.74)	346	**(2.16)**	(0.83)	160
Combined net realized price, before financial instruments(1)	**55.91**	50.01	12	**59.54**	40.52	47
Realized gain (loss) on financial instruments	**1.66**	(2.62)	163	**(5.68)**	(2.14)	165
Combined net realized price, after financial instruments(1)	**57.57**	47.39	21	**53.86**	38.38	40
Royalties	**(6.15)**	(4.17)	47	**(6.60)**	(3.58)	84
Production expense	**(10.90)**	(9.91)	10	**(10.22)**	(9.13)	12
Transportation expense	**(3.03)**	(3.31)	-8	**(3.06)**	(3.38)	-9
Operating netback (1)	**37.49**	30.00	25	**33.98**	22.29	52
Land holdings						
Gross acres	**795,559**	722,281	3	**795,559**	722,281	3
Net acres	**579,857**	558,763	4	**579,857**	558,763	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, 2022.

Average production for the three months ended December 31, 2022 was 28,036 BOE per day, up 9% compared to average production of 25,815 BOE per day during the fourth quarter of 2021. Average production for 2022 was 27,236 BOE per day, an increase of 30% from average production of 20,987 BOE per day in 2021. Production for the three months ended December 31, 2022 was weighted 35% to oil and NGLs and 65% to gas.

Kelt's petroleum and natural gas sales during the fourth quarter of 2022 increased 27% to $152.7 million, up from $120.5 million in the same period of the previous year. Petroleum and natural gas sales for the year were $613.4 million, up 94% from $316.8 million in 2021. Kelt's net realized average oil price during the fourth quarter of 2022 was $107.88 per barrel, up 18% from $91.43 per barrel in the fourth quarter of 2021. The Company's net realized average NGLs price during the fourth quarter of 2022 was $60.54 per barrel, up 21%

from \$50.03 per barrel in the fourth quarter of 2021. Kelt's net realized average gas price for the fourth quarter of 2022 was \$6.52 per Mcf, up 19% from \$5.46 per Mcf in the fourth quarter of 2021.

For the three months ended December 31, 2022, adjusted funds from operations was \$92.9 million (\$0.47 per share, diluted), compared to \$68.2 million (\$0.35 per share, diluted) in the fourth quarter of 2021. Year over year, adjusted funds from operations increased 103% to \$327.0 million (\$1.67 per share, diluted) from \$161.4 million (\$0.85 per share, diluted) in 2021. During 2022, Kelt recorded net income of \$158.8 million (\$0.81 per share, diluted) compared to \$114.3 million (\$0.60 per share, diluted) in the previous year.

At December 31, 2022, Kelt had net debt of \$9.8 million compared to \$28.2 million at December 31, 2021. At a net debt to adjusted funds from operations ratio of 0.03 times, Kelt continues to maintain its strong financial position.

Net capital expenditures incurred during the three months ended December 31, 2022 were \$68.6 million, up 2% compared to net capital expenditures of \$67.1 million during the fourth quarter of 2021. During the fourth quarter of 2022, the Company spent \$31.6 million on drill and complete operations and \$35.9 million on well equipment, facilities and pipelines.

As at December 31, 2022, Kelt's net working interest land holdings were 579,857 acres (906 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 and Charlie Lake plays. At December 31, 2022, Kelt's net Montney land holdings were 344,274 acres (538 sections) and its Charlie Lake holdings were 88,447 net acres (138 sections).

At Oak, after more than a year of production history from wells that were put on production in late 2021 and early 2022, Sproule Associates Limited ("Sproule") has increased their EUR estimates with an improved type-curve forecast on a Montney horizontal well. At December 31, 2022, Sproule's estimated EUR per well is 1.3 million BOE, up 34% from their previous estimate at December 31, 2021 of 968,000 BOE. Kelt recently put on production two additional Montney wells at Oak that were the first to be drilled in a wine rack methodology. Wine racking wells in the upper Montney will allow for increased inventory. After just over 90 days, both wells are currently exceeding the latest Sproule type-curve estimate. Kelt expects to drill five wells and complete six wells at Oak during 2023.

Kelt has arranged for gas produced from its Oak property to be sold at various pricing point hubs including Station 2, Chicago ACE, Marcellus TZ4-L300 and Sumas. With recent weakness in Station 2 prices and with anticipated further volatility during the summer relating to industry pipeline and facility maintenance, the Company has temporarily deferred the drilling of seven wells at Oak that were previously planned for 2023. The Company's capital expenditure program remains flexible, and the drilling and completion of these wells could be re-instated with positive movement in Station 2 gas prices.

At Pouce Coupe, Kelt plans to drill and complete four Montney wells in the oil-prone area of the Company's land base during 2023. At Pouce Coupe West, Kelt has deferred the drilling of its high deliverability Montney gas wells during the current environment of weaker western Canadian gas markets. At Spirit River, Progress, Pouce Coupe North and Wembley, Kelt expects to follow up with the very successful 2022 Charlie Lake drilling program with up to nine additional Charlie Lake horizontal wells in 2023. Production additions from the drilling program in the Company's Pouce Coupe/ Progress/Spirit River Division is expected to offset total corporate declines during 2023.

At Wembley/Pipestone, Kelt plans to drill nine wells and complete ten wells during 2023. This program is anticipated to fulfill the Company's additional gas processing capacity that is expected to be made available to Kelt in the Wembley/Pipestone area at a third-party facility in late 2023 or early 2024. Despite incurring all of the capital required to complete this program, the Company has not included any production from these wells into its forecasted 2023 production guidance. Upon start-up, these wells are expected to add approximately 6,000 to 7,000 BOE per day of new production weighted approximately 60% oil and NGLs and 40% gas.

With the recent weakness in natural gas prices, Kelt has revised its 2023 outlook and guidance. After a warm January 2023 in the US Northeast and Midwest that reduced natural gas demand significantly and excess supply in response to potential LNG exports off the US Gulf Coast being disrupted since June 2022 due to a major facility outage, North American natural gas prices have declined precipitously. The Company has changed its 2023 forecasted average natural gas price assumptions as follows: the NYMEX Henry Hub natural gas price is forecasted to average US$3.39 per MMBtu, down 32% from the previous forecast of US$5.00 per MMBtu; the AECO daily index natural gas price is forecasted to average $2.94 per GJ, down 32% from the previous forecast of $4.30 per GJ; and Kelt's realized natural gas price is forecasted to average $3.64 per Mcf, down 31% from the previous forecast of $5.25 per Mcf;. The Company will continue to monitor commodity prices and expects to provide updated 2023 guidance, if necessary, by mid-year.

Kelt has reduced its 2023 capital expenditure program to $285.0 million, down from $310.0 million in its previous guidance. Production in 2023 is forecasted to average between 32,000 and 34,000 BOE per day. Built into this forecast is certain third-party facility downtime expected during 2023 that Kelt has been made aware of. Average oil and NGLs production guidance of between 11,700 to 12,900 bbls per day remains unchanged from the Company's previous guidance. Despite reducing the number of wells to be drilled at Oak in 2023, the loss of potential oil and NGL production from these wells have been offset by much better performance of its oily Charlie Lake wells than previously forecasted. Average natural gas production is expected to average between 121.8 and 126.6 MMcf per day in 2023, a reduction of 6.0 MMcf per day (or 1,000 BOE per day) compared to the Company's previous guidance.

The reduction in forecasted natural gas prices has had the biggest impact to forecasted adjusted funds from operations. Adjusted funds from operations ("AFFO") is now forecasted to be $285.0 million in 2023, down by 16% or $53.0 million from Kelt's previous forecast. Kelt's capital expenditures for 2023 will match AFFO at $285.0 million. The Company's financial position continues to remain strong as Kelt is forecasting net debt of $14.8 million at the end of 2023 (or less than 0.1 times estimated 2023 AFFO), giving the Company the ability to act on additional opportunities as they arise.

Kelt expects to report to shareholders its 2023 first quarter results on or about May 4, 2023.

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 2023. 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 and of the words "will", "expects", "believe", "plans", potential", "forecasts" and similar expressions are intended to identify forward-looking 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 2023, 2024, and 2025, 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 non-GAAP financial measures and other specified financial measures, as described below, which do not have standardized meanings prescribed by GAAP and do not have standardized meanings under the applicable securities legislation. As these non-GAAP, and other specified 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 dividing the Company's P&NG sales after cost of purchases by the Company's production and reflects Kelt's realized selling prices plus the net benefit of oil blending and third-party natural gas sales. In addition to using its own production, the Company may purchase butane and crude oil from third 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 P&NG sales as reported in the Consolidated Statement of Net Income and Comprehensive Income 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, and excludes the sale of third party marketing volumes, management believes that disclosing its net realized prices based on P&NG 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, 2022, 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 used in investing activities, and is calculated as follows:

	Three months ended		Year ended	
	December 31		December 31	
(CA$ thousands, except as otherwise indicated)	***2022***	*2021*	***2022***	*2021*
Cash used in investing activities	***95,916***	*74,421*	***328,945***	*191,540*
Change in non-cash investing working capital	***(27,322)***	*(7,303)*	***(11,405)***	*21,971*
Capital expenditures, net of A&D	***68,594***	*67,118*	***317,540***	*213,511*
Property acquisitions (1)	***(12)***	*(36)*	***(933)***	*(252)*
Property dispositions (1)	***-***	*(57)*	***41***	*9,048*
Capital expenditures, before A&D	***68,582***	*67,025*	***316,648***	*222,307*

(1) Property acquisitions and property dispositions for the year ended December 31, 2022 includes $2.5 million of non-cash consideration. Property acquisitions and property dispositions for the year ended December 31, 2021 includes $0.2 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:

	Three months ended		Year ended	
	December 31		December 31	
(CA$ thousands, except as otherwise indicated)	***2022***	*2021*	***2022***	*2021*
Cash provided by operating activities	***63,742***	*52,056*	***306,022***	*159,714*
Change in non-cash working capital	***28,742***	*15,058*	***17,770***	*(1,903)*
Settlement of decommissioning obligations	***367***	*1,041*	***3,200***	*3,583*
Adjusted funds from operations	***92,851***	*68,155*	***326,992***	*161,394*

Net debt

Management considers net debt 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" 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 believes that using a "Net debt" 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 is calculated as follows:

	December 31, 2022	*December 31, 2021*
Bank debt	***11,300***	*1,150*
Accounts payable and accrued liabilities	***83,288***	*72,453*
Cash and cash equivalents	***(125)***	*(719)*
Accounts receivable and accrued sales	***(81,075)***	*(42,584)*
Prepaid expenses and deposits	***(3,599)***	*(2,080)*
Net debt	***9,789***	*28,220*

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 (basic and diluted) and net income (loss) and comprehensive income (loss) per share (basic and diluted) is calculated by dividing the amounts by the basic 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*

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