



PRESS RELEASE

(Stock Symbol "KEL" – TSX)

September 7, 2023

Calgary, Alberta

KELT PROVIDES AN UPDATE ON NEW GAS PROCESSING CAPACITY, UPCOMING PLANT MAINTENANCE AND CHANGES TO ITS BOARD OF DIRECTORS

Kelt Exploration Ltd. ("Kelt" or the "Company") is pleased to provide an update on new gas processing capacity acquired through various firm service arrangements that are expected to provide the Company with the ability to double its current production capability over the next three years. This increase in production capability will come while the Company maintains its oil/gas production mix at similar levels to its current production mix. The Company is also providing an update on upcoming plant maintenance that is expected to result in temporary production curtailments in the near term.

Gas Processing Capacity

In its Wembley/Pipestone Division, Kelt expects to increase firm service raw gas processing capacity from 37 MMcf per day to 109 MMcf per day over the next 18 months. The Company has entered into gas processing arrangements with certain midstream companies that are building a new gas processing plant and expanding an existing gas processing plant in the area. The additional 22 MMcf per day of firm service processing capacity that was anticipated by Kelt to become available in the first quarter of 2024, could become available in late December 2023.

As the Company prepares to add production upon start-up of the incremental gas processing, Kelt has drilled nine Montney wells at Wembley/Pipestone of which seven have now been completed and the remaining two wells are expected to be completed in October 2023. The Company expects to flow these wells back and use its current gas processing capacity to produce these oilier wells while at the same time shut-in older gassier wells as it awaits the start-up of new incremental processing capacity.

Kelt will have access, through ownership interests and firm service arrangements, to five different gas processing plants in the Wembley/Pipestone area, providing the Company with operating flexibility and the ability to significantly grow its production base in the future.

In its Pouce Coupe/Progress/Spirit River Division, Kelt currently has access to approximately 72 MMcf per day of raw gas processing capacity through a plant ownership interest and third-party facility firm service arrangements. Kelt expects to increase its overall raw gas processing capacity in the area to 107 MMcf per day over the next two years with incremental firm service arrangements, giving the Company access to five different gas plants in the area. The Company expects to start-up four new Charlie Lake wells in the area during the fourth quarter of 2023. Two wells (100% WI) are in the Company's new area at Pouce Coupe North and the other two wells (50% WI) are at Progress.

In its Oak/Flatrock Division, Kelt has the ability to increase firm service raw gas processing capacity from 25 MMcf per day to 90 MMcf per day over the next 30 months through gas processing arrangements with a third-party. Kelt expects to put on production five new Montney wells in October 2023 and expects to have an active drilling program in the area in 2024.

Plant Maintenance

At Oak, where Kelt currently processes gas at the McMahon Gas Plant, the Company expects to temporarily shut-in production for three to four weeks starting on September 5, 2023 as the plant conducts its periodic (every 3 to 4 years) major turnaround maintenance operation.

At Wembley/Pipestone, Kelt expects to have production temporarily shut-in for two to three weeks due to non-routine third-party plant maintenance in the area during the months of September and November 2023.

At Pouce Coupe West, Kelt expects to temporarily shut-in certain gas wells due to nearby fracing operations.

Changes to Board of Directors

The Board of Directors (the "Board") of Kelt is pleased to announce that it has appointed Jennifer Haskey as a director of the Company effective September 7, 2023. Ms. Haskey has an extensive engineering background in the Energy Industry, including energy acquisition and divestment advisory services at BMO Capital Markets and business development and commercial analysis experience at Talisman Energy Inc./Repsol Oil & Gas Canada. Ms. Haskey is expected to be appointed as a member of the Reserves Committee and Audit Committee of the Board.

The Company also announces that Geri Greenall is retiring from the Kelt Board effective September 7, 2023. Ms. Greenall has been a director of Kelt since December 14, 2017. Kelt would like to thank Ms. Greenall for her leadership and service over the past five years and wishes her well in her other endeavours.

About Kelt Exploration Ltd.

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 Western Canada. Kelt's business plan is for long-term profitable growth by implementing a full-cycle exploration and development program, with emphasis on low-cost land accumulation with the potential for high rates of return on capital invested. Kelt has an active exploration and development drilling program that, from time-to-time, may be complemented with opportunistic acquisitions and dispositions that optimize its asset base.

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 expectations to add incremental gas processing capacity, the ability to double the Company's current production capability, maintain its oil/gas production mix at similar levels to its current production mix, the timing and duration of expected temporary shut-ins of production and the expected timing of new well start-ups.

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.

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