PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
March 13, 2025
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2024

Kelt Exploration Ltd. ("Kelt" or the "Company") has released its financial and operating results for the fourth quarter and year ended December 31, 2024. 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)	**2024**	2023	%	**2024**	2023	%
Petroleum and natural gas sales	**125,064**	129,000	-3	**468,432**	495,580	-5
Cash provided by operating activities	**48,067**	62,477	-23	**209,145**	283,224	-26
Adjusted funds from operations [(1)]	**69,406**	66,618	4	**221,978**	276,200	-20
Basic ($/ common share) [(1)]	**0.35**	0.34	3	**1.13**	1.43	-21
Diluted ($/ common share) [(1)]	**0.35**	0.33	6	**1.11**	1.40	-21
Net income and comprehensive income	**13,800**	23,729	-42	**45,423**	85,974	-47
Basic ($/ common share)	**0.07**	0.12	-42	**0.23**	0.45	-49
Diluted ($/ common share)	**0.07**	0.12	-42	**0.23**	0.44	-48
Capital expenditures, net of A&D [(1)]	**97,046**	62,695	55	**333,147**	282,646	18
Total assets	**1,450,679**	1,260,292	15	**1,450,679**	1,260,292	15
Bank debt	**108,993**	-	-	**108,993**	-	-
Net debt [(1)]	**124,883**	12,997	861	**124,883**	12,997	861
Shareholders' equity	**1,063,004**	1,003,663	6	**1,063,004**	1,003,663	6
Return on average capital employed (%) [(1)(2)]				**6**	12	-50
Weighted average shares outstanding (000s)						
Basic	**196,557**	194,359	1	**195,719**	193,116	1
Diluted	**200,801**	199,223	1	**199,631**	197,063	1

(1) Refer to advisories regarding Non-GAAP and Other Financial Measures.

(2) The three-year average ROACE as of December 31, 2024 was 14%. Refer to additional information under "Non-GAAP and Other Financial Measures".

FINANCIAL STATEMENTS

Kelt's audited annual consolidated financial statements and related notes for the year ended December 31, 2024 will be available to the public on SEDAR+ at www.sedarplus.ca and will also be posted on the Company's website at www.keltexploration.com on March 13, 2025.

Kelt's operating results for the fourth quarter and year ended December 31, 2024 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended December 31			Year ended December 31		
(CA$ thousands, except as otherwise indicated)	**2024**	2023	%	**2024**	2023	%
Average daily production						
Oil (bbls/d)	**9,297**	8,832	5	**8,623**	7,979	8
NGLs (bbls/d)	**5,052**	3,422	48	**3,675**	3,759	-2
Gas (mcf/d)	**132,608**	120,541	10	**124,902**	112,634	11
Combined (BOE/d)	**36,450**	32,344	13	**33,115**	30,510	9
Production per million common shares (BOE/d) (1)	**185**	166	11	**169**	158	7
Net realized prices, before derivative financial instruments(1)						
Oil ($/bbl)	**92.53**	95.68	-3	**94.46**	97.90	-4
NGLs ($/bbl)	**38.50**	49.79	-23	**47.56**	49.27	-3
Gas ($/mcf)	**2.02**	2.75	-27	**1.97**	3.08	-36
Operating netbacks ($/BOE) (1)						
Petroleum and natural gas sales	**37.30**	43.35	-14	**38.66**	44.51	-13
Cost of purchases	**(0.99)**	(1.66)	-40	**(1.35)**	(1.50)	-10
Combined net realized price, before derivative financial instruments (1)	**36.31**	41.69	-13	**37.31**	43.01	-13
Realized gain on derivative financial instruments	**0.70**	0.09	678	**0.35**	1.35	-74
Combined net realized price, after derivative financial instruments(1)	**37.01**	41.78	-11	**37.66**	44.36	-15
Royalties	**(2.85)**	(6.03)	-53	**(4.52)**	(5.31)	-15
Production expense	**(8.72)**	(8.62)	1	**(10.01)**	(9.83)	2
Transportation expense	**(3.64)**	(3.64)	-	**(3.52)**	(3.48)	1
Operating netback (1)	**21.80**	23.49	-7	**19.61**	25.74	-24
Land holdings						
Gross acres	**790,918**	796,519	-1	**790,918**	796,519	-1
Net acres	**588,527**	581,553	1	**588,527**	581,553	1

(1) Refer to advisories regarding Non-GAAP and Other Financial Measures.

MESSAGE TO SHAREHOLDERS

Average production for the three months ended December 31, 2024 was 36,450 BOE per day, up 13% compared to average production of 32,344 BOE per day during the fourth quarter of 2023. Average production for 2024 was 33,115 BOE per day, an increase of 9% from an average production of 30,510 BOE per day in 2023. Production for the three months ended December 31, 2024 was weighted 39% to oil and NGLs and 61% to gas.

Petroleum and natural gas sales during the fourth quarter of 2024 decreased 3% to $125.1 million, down from $129.0 million in the same period of the previous year. Petroleum and natural gas sales for the year were $468.4 million, down 5% from $495.6 million in 2023. Kelt's net realized average oil price during the fourth quarter of 2024 was $92.53 per barrel, down 3% from $95.68 per barrel in the fourth quarter of 2023. The Company's net realized average NGLs price during the fourth quarter of 2024 was $38.50 per barrel, down 23% from $49.79 per barrel in the fourth quarter of 2023. Kelt's net realized average gas price for the fourth quarter of 2024 was $2.02 per Mcf, down 27% from $2.75 per Mcf in the fourth quarter of 2023.

For the three months ended December 31, 2024, adjusted funds from operations was $69.4 million ($0.35 per share, diluted), compared to $66.6 million ($0.33 per share, diluted) in the fourth quarter of 2023. Year over year, adjusted funds from operations decreased 20% to $222.0 million ($1.11 per share, diluted) from $276.2 million ($1.40 per share, diluted) in 2023. During 2024, Kelt recorded net income of $45.4 million ($0.23 per share, diluted) compared to $86.0 million ($0.44 per share, diluted) in the previous year.

Kelt's three-year average ROACE is 14% and the three-year average recycle ratio based on proved plus probable reserves added was 2.3 times, showing favourable returns on capital employed as the Company has been transitioning from exploration and resource delineation to development and multi-well pad drilling.

At December 31, 2024, Kelt had net debt of $124.9 million compared to $13.0 million at December 31, 2023. At a year-end net debt to adjusted funds from operations ratio of 0.6 times, Kelt continues to maintain a strong financial position.

Capital expenditures, net of A&D incurred during the three months ended December 31, 2024 were $97.0 million, up 55% compared to net capital expenditures of $62.7 million during the fourth quarter of 2023. During the fourth quarter of 2024, the Company spent $63.1 million on drill and complete operations; $30.4 million on well equipment, facilities and pipelines; and Kelt also completed a complementary Montney acquisition for $3.5 million.

OPERATIONS UPDATE

Kelt's planned 2025 capital expenditure program remains unchanged at $328.0 million. Kelt's previous guidance for 2025 production to average between 44,000 and 48,000 BOE per day also remains unchanged.

- At Wembley/Pipestone, in January 2025, Kelt completed a 3-well Montney pad (14-2 surface). These three wells were brought forward and drilled in the fourth quarter of 2024.
- At Wembley/Pipestone, during January and February, the Company drilled a 4-well Montney pad (9-17 surface). These four wells are expected to be completed in April 2025.
- Also, at Wembley/Pipestone, Kelt drilled and completed two Charlie Lake wells (62% working interest).
- Kelt continues to have significant production volumes shut-in at Wembley/Pipestone as it awaits construction completion of a new third-party gas plant where the Company has 50 MMcf per day of raw gas firm processing service. Start-up of the new gas plant, after facing unexpected additional repairs to certain equipment, is still expected to commence in the second quarter of 2025.
- At Progress, the Company is currently drilling four Charlie Lake wells (50% working interest). These four wells are expected to be completed during May 2025.
- At Pouce Coupe West, Kelt is currently drilling two Montney wells and it expects to complete these wells by the end of the first quarter.
- In its Pouce Coupe/Progress/Spirit River division, a new third-party gas plant located at Gordondale West where Kelt will initially have 25 MMcf per day of raw gas firm processing service, is expected to finish construction and start-up in May 2025. This will provide Kelt with the opportunity to bring its newly drilled wells in the area on-stream.
- At Oak, the Company is currently conducting a 3-D seismic shoot covering approximately 110 sections of land.

With the start-up of the two new third-party gas processing plants in the second quarter, Kelt expects to ramp up production significantly leading into the third quarter of 2025.

RESERVES

Kelt Exploration Ltd. ("Kelt" or the "Company") reports on its oil & gas reserves and production for the year ended December 31, 2024. Kelt retained McDaniel & Associates Consultants Ltd. ("McDaniel"), an independent qualified reserve evaluator, to prepare a report on its oil and gas reserves. The comparative report for the previous year ended December 31, 2023, was prepared by Sproule Associates Limited ("Sproule").

The Company has a Reserves Committee which oversees the selection, qualifications and reporting procedures of the independent qualified reserves evaluator. Reserves effective December 31, 2024 and effective December 31, 2023 were determined using the guidelines and definitions set out under National Instrument 51-101 ("NI 51-101"). Additional reserves disclosure as required under NI 51-101 will be included in Kelt's Annual Information Form which is expected to be filed on SEDAR on March 13, 2025.

Kelt continues to remain active operationally in its three main divisions, resulting in increases in all categories of reserves on a barrel of oil equivalent basis compared to the previous year. Kelt was successful in increasing its oil and NGL reserves by 20%, 8% and 17% respectively in the PDP, Proved and P+P categories. A summary of reserves is outlined in the table below:

SUMMARY OF RESERVES					
	December 31, 2024		December 31, 2023		**Change**
	% Weight	**Amount**	% Weight	Amount	
Proved Developed Producing Reserves					
Oil & NGLs (Mbbls)	**38%**	**29,741**	35%	24,700	**20%**
Gas (MMcf)	**62%**	**294,727**	65%	278,283	**6%**
Combined (MBOE)	**100%**	**78,862**	100%	71,081	**11%**
Proved Reserves					
Oil & NGLs (Mbbls)	**40%**	**105,347**	38%	97,155	**8%**
Gas (MMcf)	**60%**	**965,789**	62%	956,575	**1%**
Combined (MBOE)	**100%**	**266,312**	100%	256,584	**4%**
Proved plus Probable Reserves					
Oil & NGLs (Mbbls)	**40%**	**173,779**	36%	149,163	**17%**
Gas (MMcf)	**60%**	**1,568,229**	64%	1,583,515	**(1%)**
Combined (MBOE)	**100%**	**435,151**	100%	413,082	**5%**

Proved Developed Producing ("PDP") reserves at December 31, 2024 were 78.9 million BOE, an increase of 11% from 71.1 million BOE at December 31, 2023. Proved reserves at December 31, 2024 were 266.3 million BOE and Proved plus Probable ("P+P") reserves were 435.2 million BOE at December 31, 2024.

As previously disclosed, Kelt retained McDaniel as its independent qualified reserves evaluator for the year ended December 31, 2024. The change in evaluators provides Kelt with an opportunity to be better aligned and comparable to other Montney producers in Western Canada, the majority of whom retain McDaniel to evaluate their reserves. In performing well decline analysis, McDaniel used a higher final decline value than was assumed in Kelt's previous evaluations (by constraining the "b" value to not exceed one). This change results in little impact on the early life production of a well but results in a reduction to late life reserves. On average, previously evaluated oil and NGL reserves per well were relatively unchanged, however estimated gas recoveries per well were lower. It is Kelt's belief that both buyers and sellers of Montney assets across numerous transactions have accessed McDaniel's extensive experience in evaluating Montney assets and Kelt looks forward to working closely with McDaniel to refine its development plans across Kelt's three main divisions.

Proved plus Probable Oil and NGL reserves increased by 16% year-over-year and the mix favourably comprises a higher netback stream. Light oil, condensate and pentane plus reserves made up 68% of total Oil & NGL reserves, or 117.5 million barrels at December 31, 2024, up 9% from 107.6 million barrels at December 31, 2023.

OIL & NGLS MIX

	December 31, 2024		December 31, 2023		**Change**
	% Weight	**Mbbls**	% Weight	Mbbls	
Proved plus Probable Reserves					
Light Oil, Condensate and Pentane Plus (C5+)	**68%**	**117,548**	72%	107,610	**9%**
Butane (C4)	**11%**	**18,990**	10%	14,538	**31%**
Propane (C3)	**14%**	**24,391**	12%	17,647	**38%**
Ethane (C2)	**7%**	**12,850**	6%	9,368	**37%**
Total Oil & NGLs	**100%**	**173,779**	100%	149,163	**17%**

Note:

Refer to advisories regarding Measurements and Abbreviations.

Future commodity prices forecasted for both oil and gas used in the December 31, 2024 evaluation were lower than the forecasts used in the previous year's evaluation (see "Commodity Prices" table included below).

The WTI crude oil price during 2024 averaged USD $76.56 per barrel. In the 2024 evaluation, the forecasted average WTI crude oil price for 2025 is USD $71.58 per barrel, a 6% decrease from the forecast of USD $76.00 per barrel used in the previous year's evaluation.

The NYMEX Henry Hub natural gas price during 2024 averaged USD $2.25 per MMBtu. In the evaluation report ended December 31 2024, the forecasted average NYMEX Henry Hub natural gas price for 2025 is USD $3.31 per MMBtu, a decrease of 12% from the forecast of USD $3.75 per MMBtu used in the previous year's evaluation.

The following table outlines forecasted future prices used in the evaluation of the Company's reserves:

COMMODITY PRICES

	December 31, 2024 Evaluation						December 31, 2023 Evaluation		
	WTI Cushing Crude Oil (USD/bbl)		**NYMEX Henry Hub Natural Gas (USD/MMBtu)**		**CAD/USD Exchange (CAD)**		WTI Cushing Crude Oil (USD/bbl)	NYMEX Henry Hub Natural Gas (USD/MMBtu)	CAD/ USD Exchange (CAD)
Calendar Year	**Price**	**Change**	**Price**	**Change**	**Rate**	**Change**	Price	Price	Rate
2020 (historical)	**39.24**		**2.08**		**1.340**		39.24	2.08	1.340
2021 (historical)	**68.03**		**3.74**		**1.253**		68.03	3.74	1.253
2022 (historical)	**94.80**		**6.56**		**1.302**		94.80	6.56	1.302
2023 (historical)	**77.63**		**2.53**		**1.350**		77.63	2.53	1.350
2024 (historical/future)	**76.56**	**1%**	**2.25**	**(18%)**	**1.370**	**3%**	76.00	2.75	1.333
2025 (future)	**71.58**	**(6%)**	**3.31**	**(12%)**	**1.404**	**5%**	76.00	3.75	1.333
2026 (future)	**74.48**	**(2%)**	**3.73**	**(7%)**	**1.374**	**3%**	76.00	4.00	1.333
2027 (future)	**75.81**	**(2%)**	**3.85**	**(6%)**	**1.346**	**1%**	77.52	4.08	1.333
2028 (future)	**77.66**	**(2%)**	**3.93**	**(6%)**	**1.346**	**1%**	79.07	4.16	1.333
2029 (future)	**79.22**	**(2%)**	**4.01**	**(5%)**	**1.346**	**1%**	80.65	4.24	1.333

Note:

Percent change in the above table shows the change in price used in the December 31, 2024 evaluation compared to the price used in the December 31, 2023 evaluation for the respective calendar years from 2024 to 2029.

The following table outlines a summary of the net present value of the Company's reserves by category as at December 31, 2024 and at December 31, 2023:

VALUE OF RESERVES					
	December 31, 2024		December 31, 2023		Change in NPV
NPV 10% BT	($M)	($/BOE)	($M)	($/BOE)	
Proved Developed Producing	**882,520**	**11.19**	948,144	13.34	**(7%)**
Proved	**2,154,375**	**8.09**	2,827,673	11.02	**(24%)**
Proved plus Probable	**3,471,756**	**7.98**	4,515,374	10.93	**(23%)**

At December 31, 2024, Kelt had 196.8 million common shares issued and outstanding. The net present value of reserves, discounted at 10% before tax, per share at December 31, 2024 were as follows:

- → **$4.49** per share for Proved Developed Producing reserves;
- → **$10.95** per share for Proved reserves; and
- → **$17.64** per share for Proved plus Probable reserves.

During the year, Kelt replaced 2024 production in each of its reserve categories. The Company replaced total 2024 production 1.6 times on a PDP basis, 1.8 times on a Proved basis and 2.8 times on a P+P basis.

The following table shows the 2024 production replacement by reserve category:

RESERVES REPLACEMENT			
(MBOE)	Proved Developed Producing	Proved	**Proved plus Probable**
Reserve Additions, net	19,882	21,829	**34,170**
2024 Production	12,101	12,101	**12,101**
Reserves Replacement	164%	180%	**282%**

FUTURE DEVELOPMENT CAPITAL EXPENDITURES

Future development capital ("FDC") expenditures of $1.8 billion are included in the evaluation for Proved reserves and are expected to be incurred over five years from 2025 to 2029. FDC expenditures of $2.8 billion are included in the evaluation of P+P reserves and are expected to be incurred over nine years from 2025 to 2033.

The following table outlines FDC expenditures and future wells to be drilled in the P+P category, by province, in the Company's main horizons, included in the December 31, 2024 reserve evaluation with comparatives from the December 31, 2023 report:

FUTURE DEVELOPMENT CAPITAL EXPENDITURES						
P+P Reserves	**December 31, 2024**			December 31, 2023		
	FDC ($MM)	**Net Wells**	**FDC/well ($MM)**	FDC ($MM)	Net Wells	FDC/well ($MM)
Alberta Montney wells	**1,888**	**265**	**7.1**	1,676	215	7.8
British Columbia Montney wells	**585**	**81**	**7.2**	397	50	7.9
Alberta Charlie Lake wells	**267**	**50**	**5.3**	251	45	5.5
Other expenditures, includes completing DUCs	**97**	**8**		143	28	
Total FDC Expenditures	**2,837**	**404**		2,467	338	

FINDING, DEVELOPMENT, ACQUISITION & DISPOSITION COSTS

Capital expenditures, including property acquisitions and after dispositions, in 2024 were $333.1 million compared to $282.6 million in 2023. The change in FDC costs required to develop P+P reserves was $370.2

million ($423.0 million in 2023) and the change in FDC costs required to develop Proved reserves was $71.5 million ($558.2 million in 2023).

During 2024, the Company's total capital costs resulted in net P+P reserve additions of 34.2 million BOE; net Proved reserve additions of 21.8 million BOE; and net PDP reserve additions of 19.9 million BOE.

The recycle ratio is a measure for evaluating the effectiveness of a company's re-investment program. The ratio measures the efficiency of capital investment (or divestment). It accomplishes this by comparing the operating netback per BOE to the same period's reserve FDA&D cost per BOE. With significant costs related to construction of facilities and infrastructure that may be incurred in any given year, Kelt believes finding and development costs and recycle ratios using a three year rolling average is a more representative measure when evaluating historical results.

For the three year period ended on December 31, 2024, the Company has achieved favourable recycle ratios for all three of its major reserve categories. The P+P recycle ratio was 2.4 times; the Proved recycle ratio was 2.1 times; and the PDP recycle ratio was 1.9 times.

The following tables provide detailed calculations relating to FDA&D costs and recycle ratios for 2024:

FDA&D Costs and Recycle Ratios – Proved Developed Producing Reserves		
	Three Years ended December 31, 2024	Year ended December 31, 2024
Capital expenditures, net of dispositions ($M)	**933,333**	333,147
Change in FDC costs required to develop reserves ($M)	**(1,427)**	–
Total capital costs ($M)	**931,906**	333,147
Reserve additions, net of dispositions (MBOE)	**68,162**	19,882
FDA&D cost, including FDC ($/BOE)	**13.67**	16.76
Operating netback ($/BOE)	**25.97**	19.61
PDP recycle ratio	**1.9 x**	1.2 x

FDA&D Costs and Recycle Ratios – Proved Reserves		
	Three Years ended December 31, 2024	Year ended December 31, 2024
Capital expenditures, net of dispositions ($M)	**933,333**	333,147
Change in FDC costs required to develop reserves ($M)	**1,085,531**	71,498
Total capital costs ($M)	**2,018,864**	404,645
Reserve additions, net of dispositions (MBOE)	**165,374**	21,829
FDA&D cost, including FDC ($/BOE)	**12.21**	18.54
Operating netback ($/BOE)	**25.97**	19.61
Proved recycle ratio	**2.1 x**	1.1 x

FDA&D Costs and Recycle Ratios – Proved plus Probable Reserves		
	Three Years ended December 31, 2024	Year ended December 31, 2024
Capital expenditures, net of dispositions ($M)	**933,333**	333,147
Change in FDC costs required to develop reserves ($M)	**1,416,501**	370,232
Total capital costs ($M)	**2,349,834**	703,379
Reserve additions, net of dispositions (MBOE)	**214,156**	34,170
FDA&D cost, including FDC ($/BOE)	**10.97**	20.58
Operating netback ($/BOE)	**25.97**	19.61
P+P recycle ratio	**2.4 x**	1.0 x

RESERVES RECONCILIATION

Kelt's 2024 capital investment program, resulted in PDP reserve additions of 19.9 million BOE, that replaced 2024 production by a factor of 1.6 times.

A reconciliation of Kelt's PDP reserves is provided in the table below:

PROVED DEVELOPED PRODUCING RESERVES RECONCILIATION			
	Oil & NGLs (Mbbls)	Gas (MMcf)	Combined (MBOE)
Balance, December 31, 2023	**24,700**	**278,283**	**71,081**
Extensions and improved recovery	2,320	16,650	5,095
Technical revisions	7,227	48,567	15,321
Economic factors	(170)	(4,604)	(937)
Acquisitions	165	1,428	403
Additions, net	**9,542**	**62,041**	**19,882**
Less: 2024 Production *[1]*	(4,501)	(45,597)	(12,101)
Balance, December 31, 2024	**29,741**	**294,727**	**78,862**

Note:

[1] Sulphur production has been excluded from production in the above table.

NET ASSET VALUE

Kelt's calculated net asset value per share at December 31, 2024 was $16.85, 140% above the $7.02 closing trading price of the Company's common shares on the Toronto Stock Exchange on December 31, 2024.

Details of the net asset value calculation are shown in the table below:

NET ASSET VALUE PER SHARE				
	December 31, 2024		December 31, 2023	**Change**
	$ M	**$/share**	$/share	
Proved reserves, NPV10% BT *[1]*	**2,154,375**	**10.34**	13.75	**(25%)**
Probable reserves, NPV10% BT *[1]*	**1,317,381**	**6.32**	8.21	**(23%)**
Undeveloped land *[2]*	**121,273**	**0.58**	0.68	**(15%)**
Net debt *[3]*	**(124,883)**	**(0.60)**	(0.06)	**900%**
Proceeds from exercise of stock options *[4]*	**42,605**	**0.20**	0.16	**25%**
Net asset value	**3,510,751**	**16.85**	22.75	**(26%)**
Diluted common shares outstanding (thousands) *[4]*	**208,358**			

Notes:

[1] As estimated by McDaniel.

[2] The undeveloped land value is based on internal estimates of Kelt's undeveloped lands which do not have reserves assigned.

[3] Based on the Company's net debt at December 31, 2024. Refer to advisories regarding "Non-GAAP and Other Financial Measures".

[4] The calculation of proceeds from exercise of stock options and the diluted number of common shares outstanding only include stock options that are "in-the-money" based on the closing price of KEL of $7.02 on December 31, 2024. All outstanding RSUs are included in diluted common shares outstanding.

Management looks forward to updating shareholders with 2025 first quarter results on or about May 8, 2025.

For further information, please contact:

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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.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

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 2025. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

Certain information with respect to Kelt contained herein, including management's assessment of future plans and operations, contains forward-looking statements. These forward-looking statements are based on assumptions and are subject to numerous risks and uncertainties, many of which are beyond Kelt's control, including the impact of general economic conditions, the scope and duration of export tariffs, export restrictions, or import tariffs on commodities that Kelt sells, or products that Kelt uses in its supply chains, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve estimates, environmental risks, competition from other explorers, stock market volatility and ability to access sufficient capital.

Any forward-looking information or financial outlook set out herein does not include any potential impact of tariffs or trade-related regulations that have been announced by the U.S. and Canada, including the tariffs announced by the U.S. on Canada in 2025, the retaliatory tariffs announced by Canada, and the risk that there is an increase in the rate or scope of potential tariffs or new tariffs or levies that could restrict the import or export of products.

As a result, Kelt's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur.

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.

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and NGL reserves, and the future net revenue attributed to such reserves, including many factors beyond the control of Kelt. The reserves and associated future net revenue information set forth in this press release are estimates only. In general, estimates of economically recoverable oil, natural gas and NGLs reserves and the future net revenue therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserves recovery, the timing and amount of capital expenditures, marketability of oil, natural gas and NGLs, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For these reasons, estimates of the economically recoverable oil, natural gas and NGLs reserves attributable to any particular group of properties, the classification of such reserves based on risk of recovery and estimates of future net revenue associated with reserves prepared by different engineers, or by the same engineer at different times, may vary.

Kelt's actual production, revenue, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Corporation's reserves estimated by the Corporation's independent qualified reserves evaluators represent the fair market value of those reserves. There is no assurance that the forecast prices and costs assumptions

will be attained, and variances could be material. Actual oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein, and variances could be material.

With respect to the disclosure of reserves contained herein relating to portions of Kelt's properties, the estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Unless otherwise stated all references to "reserves" are to Kelt's gross company reserves before deduction of royalties and without including and royalty interests of Kelt. It should not be assumed that the undiscounted or discounted net present value of the Company's reserves, as determined by McDaniel, represents the fair value of those reserve estimates.

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; its expected oil and NGLs weighting; the cost and timing of future capital expenditures and expected results; the expected timing of wells brought on-production; the expected timing of production additions from capital expenditures; the ability to show significant production growth; the expected timing for well completions; the expected timing and processing capacity from the start-up of a new third party facility at Wembley/Pipestone and from the start-up of a new third party facility at Gordondale West; the ability to access sufficient capital from internal sources and bank and equity markets, the performance of existing wells, the effect of regulatory agencies including environmental regulations, taxes and royalties, and the Company's expected future financial position and operating results.

Statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. Actual reserves may be greater than or less than the estimates provided herein.

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; 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; the ability to access sufficient water or other fluids needed for completion operations; and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

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.

Combined net realized prices referenced throughout this press release are before derivative financial instruments, except as otherwise indicated as being after derivative financial instruments.

See the "Petroleum and Natural Gas Sales" section of Kelt's Management's Discussion and Analysis as at and for the year ended December 31, 2024, which provides a reconciliation of the net realized price to P&NG sales, which is a GAAP measure.

Operating income and operating netback

Operating income 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 derivative financial instruments. The Company also presents operating income on a per BOE basis, referred to as "operating netback" or "operating income per BOE", 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, 2024, 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 December 31		Year ended December 31	
(CA$ thousands, except as otherwise indicated)	***2024***	*2023*	***2024***	*2023*
Cash used in investing activities	***112,062***	*82,324*	***336,569***	*265,485*
Change in non-cash investing working capital	***(15,016)***	*(19,629)*	***(3,422)***	*17,161*
Capital expenditures, net of A&D	***97,046***	*62,695*	***333,147***	*282,646*
Property acquisitions [(1)]	***(3,400)***	*(10)*	***(4,173)***	*(102)*
Property dispositions [(1)]	***-***	*50*	***-***	*50*
Capital expenditures, before A&D	***93,646***	*62,735*	***328,974***	*282,594*

(1) Property acquisitions and property dispositions for the year ended December 31, 2024 includes $0.6 million of non-cash consideration and for the year ended December 31, 2023 includes $6.9 million of non-cash consideration.

Average capital employed

Kelt calculates average capital employed as the total of net debt plus the short and long term lease obligations and shareholders equity. Kelt uses average capital employed as a measure of long-term capital management and operating performance, and as a component in the calculation for ROACE. The table below provides a reconciliation of average capital employed to the most directly comparable GAAP measures of shareholders equity.

(CA$ thousands, except as otherwise indicated)	***December 31, 2024***	*December 31, 2023*	*December 31, 2022*
Net debt – beginning of period	***12,997***	*9,789*	*28,220*
Current portion of lease obligations	***1,125***	*505*	*609*
Long-term portion of lease obligations	***332***	*543*	*399*
Shareholders' equity - beginning of period	***1,003,663***	*901,424*	*722,724*
Opening capital employed (A)	***1,018,117***	*912,261*	*751,952*

(CA$ thousands, except as otherwise indicated)	**December 31, 2024**	December 31, 2023	December 31, 2022
Net debt – end of period	**124,883**	12,997	9,789
Current portion of lease obligations	**1,655**	1,125	505
Long-term portion of lease obligations	**419**	332	543
Shareholders' equity - end of period	**1,063,004**	1,003,663	901,424
Closing capital employed (B)	**1,189,961**	1,018,117	912,261
Average capital employed (A+B)/2	**1,104,039**	965,189	832,107

Return on average capital employed

Kelt calculates ROACE, expressed as a percentage, as adjusted EBIT divided by the average capital employed. The components adjusted EBIT and average capital employed are non-GAAP financial measures. Kelt uses ROACE as a measure of long-term financial performance.

(CA$ thousands, except as otherwise indicated)	**Three-year Average**	**December 31, 2024**	December 31, 2023	December 31, 2022
Adjusted EBIT		**66,830**	115,787	211,659
Average capital employed		**1,104,039**	965,189	832,107
ROACE (%)	**14%**	**6%**	12%	25%

CAPITAL MANAGEMENT MEASURES:

Funds from operations and adjusted funds from operations

Management considers funds from operations and 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. Funds from operations and adjusted funds from operations are not standardized measures and therefore may not be comparable with the calculation of similar measures by other entities. The most comparable GAAP measure is "Cash provided by operating activities". Funds from operations and adjusted funds from operations are calculated as follows:

	Three months ended December 31		Year ended December 31	
(CA$ thousands, except as otherwise indicated)	**2024**	2023	**2024**	2023
Cash provided by operating activities	**48,067**	62,477	**209,145**	283,224
Change in non-cash working capital	**19,471**	1,697	**7,797**	(11,562)
Funds from operations	**67,538**	64,174	**216,942**	271,662
Settlement of decommissioning obligations	**1,868**	2,444	**5,036**	4,538
Adjusted funds from operations	**69,406**	66,618	**221,978**	276,200

Net debt (surplus) and net debt (surplus) to adjusted funds from operations ratio

Management considers net debt (surplus) and net debt (surplus) to adjusted funds from operations ratio as key capital management measures to assess the Company's liquidity at a point in time and to monitor its capital structure and short-term financing requirements. The "net debt (surplus) to adjusted funds from operations ratio" is also indicative of the "net debt to cash flow ratio" calculation used to determine the applicable margin for a quarter under the Company's Credit Facility agreement (though the calculation may not always be a precise match, it is representative).

"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 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 is calculated as follows:

	December 31, 2024	*December 31, 2023*
Bank debt	***108,993***	*-*
Accounts payable and accrued liabilities	***80,463***	*85,171*
Cash and cash equivalents	***(228)***	*(14,340)*
Accounts receivable and accrued sales	***(60,236)***	*(52,646)*
Prepaid expenses and deposits	***(4,109)***	*(5,188)*
Net debt	***124,883***	*12,997*

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, gain (loss) on derivative financial instruments, royalties, revenue after royalties and derivative financial instruments, production expenses, transportation expenses, financing expenses, gross and net G&A expenses, realized gain (loss) on foreign exchange, other income (expense), share based compensation expense and depletion and depreciation 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 and comprehensive income per share (basic and diluted) is calculated by dividing the amounts by the basic weighted average common shares outstanding.

"Net asset value" is calculated by adding the present value of proved plus probable petroleum and natural gas reserves discounted at 10% before-tax (as estimated by McDaniel effective December 31, 2024), undeveloped land value, proceeds from exercise of stock options, and net bank debt (surplus). "Net asset value per common share" is calculated by dividing the "Net asset value" by the diluted number of common shares outstanding. The calculation of proceeds from exercise of stock options and the diluted number of common shares outstanding only include stock options that are "in-the-money" based on the closing price of Kelt common shares as at the calculation date. Management believes that the "Net asset value" provides a useful measure to analyze the comparative change in the Company's estimated value on a normalized basis. See the "Net asset value" section of this press release which provides a reconciliation of the net asset value to Kelt's Present value of 2P P&NG reserves, discounted at 10% before-tax.

"Finding, development, acquisition and disposition" ("FDA&D") cost is the sum of capital expenditures incurred in the period, less proceeds from the disposition of assets during the period and the change in future development capital ("FDC") required to develop reserves. FDA&D cost per BOE is determined by dividing current period net reserve additions into the corresponding period's FDA&D cost. Readers are cautioned that the aggregate of capital expenditures incurred in the year, comprised of exploration and development costs and acquisition costs, and proceeds from the disposition of assets, and the change in estimated FDC generally will not reflect total FDA&D costs related to net reserve additions in the year.

"Reserves Replacement" is calculated by dividing the current year's reserve additions by the current year's production. Management believes this ratio provides useful information in comparing the rate of reserve growth to the Company's most recent annual production.

"Recycle ratio" is a measure for evaluating the effectiveness of a company's re-investment program. The ratio measures the efficiency of capital investment by comparing the operating netback per BOE to FDA&D cost per BOE.

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*
P&NG	*Petroleum and Natural Gas*
MD&A	*Management's Discussion and Analysis*
TSX	*the Toronto Stock Exchange*
KEL	*trading symbol for Kelt Exploration Ltd. on the TSX*
GAAP	*Generally Accepted Accounting Principles*
SEDAR+	*the System for Electronic Document Analysis and Retrieval*
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*
Oil	*includes crude oil and field condensate combined*
BOE	*barrel of oil equivalent*
BOE/d	*barrel of oil equivalent per day*
NGLs	*natural gas liquids*