PRESS RELEASE
(Stock Symbol **"KEL"** – TSX)
May 7, 2026
Calgary, Alberta

KELT REPORTS FINANCIAL AND OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2026

Kelt Exploration Ltd. ("Kelt" or the "Company") reports its financial and operating results to shareholders for the first quarter ended March 31, 2026. The Company's financial results are summarized as follows:

FINANCIAL HIGHLIGHTS	Three months ended March 31		
(CA$ thousands, except as otherwise indicated)	**2026**	2025	%
Petroleum and natural gas sales	**168,106**	142,501	18
Cash provided by operating activities	**89,707**	86,929	3
Adjusted funds from operations [(1)]	**84,648**	78,214	8
Basic ($/ common share) [(1)]	**0.42**	0.40	5
Diluted ($/ common share) [(1)]	**0.42**	0.39	8
Net income and comprehensive net income	**686**	18,979	-96
Basic ($/ common share)	**0.00**	0.10	-100
Diluted ($/ common share)	**0.00**	0.09	-100
Capital expenditures, net of A&D [(1)]	**114,317**	104,746	9
Total assets	**1,665,894**	1,512,752	10
Net debt [(1)]	**215,114**	150,024	43
Shareholders' equity	**1,148,796**	1,086,264	6
Weighted average shares outstanding (000s)			
Basic	**200,619**	197,531	2
Diluted	**203,698**	200,525	2

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

FINANCIAL STATEMENTS

Kelt's unaudited condensed consolidated interim financial statements and related notes for the quarter ended March 31, 2026 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 May 7, 2026.

Kelt's operating results for the first quarter ended March 31, 2026 are summarized as follows:

OPERATIONAL HIGHLIGHTS	Three months ended March 31		
	2026	2025	%
Average daily production			
Oil (bbls/d)	**10,624**	9,444	12
NGLs (bbls/d)	**7,219**	5,631	28
Gas (Mcf/d)	**181,530**	149,637	21
Combined (BOE/d)	**48,098**	40,015	20
Production per million common shares (BOE/d) (1)	**240**	203	18
Net realized prices, before derivative financial instruments (1)			
Oil ($/bbl)	**92.73**	93.32	-1
NGLs ($/bbl)	**42.74**	41.07	4
Gas ($/Mcf)	**2.95**	2.93	1
Operating netbacks ($/BOE) (1)			
Petroleum and natural gas sales	**38.83**	39.57	-2
Cost of purchases	**(0.79)**	(0.81)	-2
Combined net realized price, before derivative financial instruments (1)	**38.04**	38.76	-2
Realized gain (loss) on financial instruments	**(0.52)**	1.77	-129
Combined net realized price, after derivative financial instruments (1)	**37.52**	40.53	-7
Royalties	**(3.43)**	(4.23)	-19
Production expense	**(10.29)**	(9.54)	8
Transportation expense	**(2.82)**	(3.51)	-20
Operating netback (1)	**20.98**	23.25	-10
Land holdings			
Gross acres	**802,921**	791,558	1
Net acres	**602,346**	590,525	2

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

MESSAGE TO SHAREHOLDERS

Kelt Exploration Ltd. ("Kelt" or the "Company") reports its financial and operating results to shareholders for the first quarter ended March 31, 2026.

Kelt's average production for the three months ended March 31, 2026 reached a new Company record high quarterly production average of 48,098 BOE per day, up 20% from average production of 40,015 BOE per day during the corresponding quarter in 2025. The Company exceeded its previously reported guidance of 46,000 to 47,000 BOE per day range for the first quarter of 2026. Production for the first quarter of 2026 was weighted 37% oil and NGLs and 63% gas. Operating income was weighted 84% oil and NGLs and 16% gas.

Kelt's realized average oil price during the first quarter of 2026 was $92.73 per barrel, down 1% from $93.32 per barrel in the first quarter of 2025. The realized average NGLs price during the first quarter of 2026 was $42.74 per barrel, up 4% from $41.07 per barrel in the same quarter of 2025. Kelt's realized average gas price for the first quarter of 2026 was $2.95 per Mcf, up 1% from $2.93 per Mcf in the corresponding quarter of the previous year. As a result of the Company's gas diversification portfolio, Kelt's realized gas prices have outperformed AECO prices. During the first quarter of 2026, AECO averaged $2.01 per MMBtu compared to $2.16 per MMBtu in the first quarter of 2025.

On a barrel of oil equivalent basis, Kelt realized $38.04 per BOE in sales, down 2% from $38.76 per BOE in the first quarter of 2025.

For the three months ended March 31, 2026, petroleum and natural gas sales were $168.1 million and adjusted funds from operations was $84.6 million ($0.42 per share, diluted), compared to $142.5 million and $78.2 million ($0.39 per share, diluted) respectively, in the first quarter of 2025. On March 31, 2026, net debt was $215.1 million or 0.5 times forecasted 2026 adjusted funds from operations.

Net capital expenditures incurred during the three months ended March 31, 2026, were $114.3 million. The Company spent $87.7 million (77%) on drill and complete operations and $25.7 million (22%) on facilities, pipelines, and equipment.

Crude oil prices have moved significantly higher with geopolitical events, primarily due to significant curtailments in global supply amid transportation bottlenecks. During April 2026, WTI oil averaged US$98.67 (CA$135.68) per barrel, up 64% from US$60.04 (CA$82.72) per barrel in January 2026.

Kelt expects to take advantage of higher oil prices and has elected to defer certain gas wells from its original capital expenditure budget in favour of new oil wells.

Kelt's board of directors has approved to increase its 2026 capital expenditure program from $355.0 million to $375.0 million. Expenditures relating to drilling and completing wells is expected to be $279.0 million (74% of the total budget), up 11% from $252.0 million previously budgeted. Expenditures related to infrastructure projects is expected to be $90.0 million (24% of the total budget), down 6% from $96.0 million previously budgeted.

At Wembley/Pipestone, Kelt expects to drill an incremental five wells in 2026, for a total of 21 wells (22 completions including a DUC from the previous year). Production in the Wembley/Pipestone Division averages approximately 54% oil and NGLs.

With the start-up of a new third-party sour gas processing facility at Wembley/Pipestone that has sulphur recovery capability, Kelt has ramped up its corporate sulphur production volumes. The Company sold an average of 115 long tons per day at an average net price of $506.05 per long ton during the first quarter of 2026, which added $5.2 million to funds from operations. With significant shortages of sulphur supply globally, demand for the product remains resilient. As a result, sulphur prices have continued to trend upwards.

At Pouce Coupe/Progress, Kelt expects to drill an incremental 6 gross (4.5 net) wells in the Charlie Lake formation. The Charlie Lake formation typically has a higher oil weighting. Total drills in the Pouce Coupe/Progress Division are now expected to be 13 gross (11.5 net) wells in all formations (Montney, Charlie Lake and Halfway).

At Oak/Flatrock, Kelt has reduced its drilling program by six wells as well as certain infrastructure spending relating to a pipeline project in the southern part of its land block. Natural gas prices in western Canada have been weak to date in 2026 for several reasons: (i) a significant amount of natural gas production was brought on-stream in advance of the start-up of new LNG exports off of the Canadian west coast; (ii) much lower demand from the U.S. west coast than previous winters; and (iii) a milder than normal winter in western Canada that led to reduced domestic demand for heating. The longer-term fundamentals for natural gas remain strong with incremental demand expected from new LNG export facilities and an anticipated build-out of data centres

in Alberta creating additional demand for gas-powered electricity. Kelt will continue to monitor gas prices and could add back the deferred drills at Oak with a rebound in domestic gas prices.

Production during 2026 is forecasted to average between 50,000 and 52,000 BOE per day, no change from the Company's previous guidance. With the changes made to the capital budget, Kelt will be replacing lower netback gas (despite higher aggregate BOEs than equivalent oil barrels to be added) at current gas prices with oil production yielding significantly higher netbacks at current oil prices. As a result, the overall impact to the change in capital spending keeps the previous production guidance intact, however, the new wells planned should generate higher operating income amounts. With these changes to the capital program, Kelt expects production in the second half of 2026 to be weighted approximately 40% oil and NGLs compared to 37% in the first quarter of the year.

Adjusted funds from operations for 2026 is forecasted to be $400.0 million or 7% higher than the Company's previous forecast of $375.0 million. The Company increased its forecasted 2026 estimated average WTI oil price by 12% from US$69.40 per barrel to US$77.50 per barrel. Kelt reduced its forecasted 2026 estimated average AECO gas price by 22% from CA$2.33 per GJ to CA$1.81 per GJ.

As of May 1, 2026, Kelt's forecasted WTI oil price for the nine-month period from April to December 2026 of US$79.23 per barrel was 9.8% below the forward strip price of US$87.86 per barrel for the same period. Kelt's forecasted AECO gas price from April to December 2026 of CA$1.79 per GJ was 8.7% below the forward strip price of CA$1.96 per GJ. Kelt will continue to monitor commodity prices for the remainder of 2026 and with continued outperformance compared to internal estimates leading to higher cash flow projections, the Company may make further changes to its capital expenditure plans for the year, opportunistically taking advantage of the higher commodity prices that would result in higher rates of return for new capital employed.

On December 31, 2026, the Company expects to have net debt of $165.0 million, representing 0.4 times forecasted 2026 adjusted funds from operations of $400.0 million.

The Company's 2026 capital expenditure budget of $375.0 million includes the drilling of 38 (36.5 net) wells and the completion of 43 (40.7 net) wells during the year. The 2026 capital expenditures are expected to be allocated as follows: $279.0 million for drilling and completing wells, $90.0 million for facilities, pipeline, and equipment and $6.0 million for land and other expenditures.

Preparation of the 2026 capital expenditure budget was determined after considering the following average commodity price assumptions (with actual average 2025 commodity prices shown for comparative purposes):

Commodity Index	2025	**2026 Forecast**	Change
WTI Crude Oil (USD/bbl)	65.43	**77.50**	18%
MSW Crude Oil (CAD/bbl)	86.51	**102.81**	19%
NYMEX Henry Hub Natural Gas Daily Index (USD/MMBtu)	3.53	**3.60**	2%
DAWN Gas Daily Index (USD/MMBtu)	3.24	**3.40**	5%
AECO NIT 5A Gas Daily Index (CAD/GJ)	1.59	**1.81**	14%
STATION 2 Gas Daily Index (CAD/GJ)	0.95	**1.69**	78%
Exchange Rate (USD/CAD)	0.716	**0.732**	2%
Exchange Rate (CAD/USD)	1.398	**1.367**	(2%)

Financial and operating highlights for the Company's 2026 forecast compared to its 2025 results are highlighted in the table below:

Financial and Operating Highlights ($ MM, unless otherwise specified)	2025	**2026 Forecast**	Change
Production *[2]*			
Oil & NGLs (bbls/d)	14,861	**19,600 – 20,600**	35%
Gas (MMcf/d)	153,214	**182,400 – 188,400**	21%
Combined (BOE/d)	40,397	**50,000 – 52,000**	26%
P&NG Sales *[1]*	513.1	**767.7**	50%
Adjusted Funds from Operations *[1]*	261.5	**400.0**	53%
AFFO per share, diluted ($/share) *[1]*	1.29	**1.94**	50%
Capital Expenditures, net of A&D *[1]*	328.3	**375.0**	14%
Net Debt, at year-end *[1]*	189.7	**165.0**	(13%)
Net Debt / AFFO ratio	0.7 x	**0.4 x**	

Notes:
[1] Refer to advisories regarding "Non-GAAP and Other Financial Measures".
[2] Percent change for production is calculated using the mid-point of each production range.

Management looks forward to updating shareholders with 2026 second quarter results on or about August 6, 2026.

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 2026. 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; its expected oil and NGLs weighting; the cost and timing of future capital expenditures and expected results; the expected timing of wells being brought on-production; the number of wells expected to be drilled in 2026; the ability to outperform AECO prices due to the Company's gas diversification portfolio; the continued global demand for sulphur and the continued upward trend of sulphur prices; the improvement of the longer-term fundamentals for natural gas; the ability of new wells to generated much higher operating income amounts; the expected timing of production additions from capital expenditures; the ability to show significant production growth; and the Company's expected future financial position and operating results.

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, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve estimates, environmental risks, competition from other explorers, stock market volatility, inter-connected challenges which may include slower growth, uncertain trade policies, persistent inflation, high interest rates, and geopolitical instability, and ability to access sufficient capital.

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.

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.

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

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 three months ended March 31, 2026, 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 March 31	
(CA$ thousands)	**2026**	2025
Cash used in investing activities	**62,502**	82,758
Change in non-cash investing working capital	**51,815**	21,988
Capital expenditures, net of A&D	**114,317**	104,746
Property acquisitions	**(31)**	-
Capital expenditures, before A&D	**114,286**	104,746

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 March 31	
(CA$ thousands)	**2026**	2025
Cash provided by operating activities	**89,707**	86,929
Change in non-cash working capital	**(7,242)**	(9,241)
Funds from operations	**82,465**	77,688
Settlement of decommissioning obligations	**2,183**	526
Adjusted funds from operations	**84,648**	78,214

Net debt and net debt to adjusted funds from operations ratio

Management considers net debt and net debt 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 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" 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:

(CA$ thousands)	**March 31, 2026**	December 31, 2025
Bank debt	**146,757**	179,861
Accounts payable and accrued liabilities	**140,300**	78,046
Cash and cash equivalents	**(632)**	(90)
Accounts receivable and accrued sales	**(68,465)**	(64,195)
Prepaid expenses and deposits	**(2,846)**	(3,919)
Net debt	**215,114**	189,703

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.

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, ethane, and sulphur. References to "liquids" include field condensate and NGLs. References to "gas" in this discussion include natural gas.

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*

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