



PRESS RELEASE: For immediate dissemination

**KELT EXPLORATION LTD. CLOSSES \$111.6 MILLION EQUITY FINANCING
INCLUDING FULL EXERCISE OF THE OVER-ALLOTMENT OPTION**

CALGARY, Alberta, August 27, 2013 ("KEL" – TSX) – Kelt Exploration Ltd. ("**Kelt**" or the "**Company**") is pleased to announce that it has completed a bought deal private placement offering (the "**Offering**") with a syndicate of underwriters led by Peters & Co. Limited and including FirstEnergy Capital Corp., CIBC World Markets Inc., Dundee Securities Ltd., RBC Dominion Securities Inc., GMP Securities L.P., Stifel Nicolaus Canada Inc., Macquarie Capital Markets Canada Ltd., National Bank Financial Inc., Cormark Securities Inc., Scotia Capital Inc., AltaCorp Capital Inc. and Paradigm Capital Inc. pursuant to which the Company issued 11.5 million common shares of Kelt ("**Common Shares**") (which includes the exercise in full of the over-allotment option to purchase 1.5 million Common Shares) at a price of \$8.00 per Common Share and 2.0 million Common Shares issued on a "flow-through" basis ("**Flow-Through Shares**") at a price of \$9.80 per Flow-Through Share, for gross proceeds of \$111,600,000.

The Common Shares and Flow-Through Shares issued in connection with the Offering are subject to a statutory four (4) month hold period under applicable securities legislation.

Kelt intends to use the net proceeds from the Offering to fund its 2013 and 2014 capital expenditures and for general working capital purposes. Kelt shall, pursuant to the provisions in the *Income Tax Act* (Canada), incur Canadian Exploration Expenses, including, if applicable, deemed Canadian Exploration Expenses, (the "**Qualifying Expenditures**") after August 27, 2013 and prior to December 31, 2014 in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of Flow-Through Shares. Kelt shall renounce the Qualifying Expenditures so incurred to the purchasers of the Flow-Through Shares such that \$9.80 per Flow-Through Share shall be deductible against the subscribers' income for the fiscal year ended December 31, 2013.

This press release does not constitute an offer to sell or a solicitation of any offer to buy the Common Shares in the United States. The Common Shares and Flow-Through Shares have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or

sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.

About Kelt

Kelt is a Calgary, Alberta, Canada-based oil and gas company focused on exploration, development and production of crude oil and natural gas resources, primarily in west central Alberta and northeastern British Columbia. Kelt's land holdings are located in three core areas: (a) a natural gas property at Grande Cache, Alberta; (b) a liquids-rich natural gas property at Inga/Fireweed, British Columbia; and (c) an oil prospect at Karr, Alberta.

Cautionary Statement on Forward-Looking Statements and Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, forward-looking statements and information in this press release include, but are not limited to: the use of proceeds from the Offering.

The forward-looking statements and information contained in this press release are based on certain key expectations and assumptions made by Kelt. Although Kelt believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because there can be no assurance that they will prove to be correct.

Since forward-looking statements and information 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: operational risks in development, exploration and production for oil and gas; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition, incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the forgoing list of factors is not exhaustive.

Management has included the above summary of assumptions and risks related to the forward-looking statements and information provided in this press release in order to provide a more complete perspective on the ongoing operations of Kelt and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and information and, accordingly, no assurance can be given that any of the events anticipated by

the forward-looking statements and information contained in this press release will transpire or occur, or if any of them do so, what benefits may be derived therefrom.

The forward-looking statements and information contained in this press release are made as of the date hereof and Kelt undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events, or results or otherwise, other than as required by applicable securities laws.

Further Information

For further information, please contact:

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