

KELT EXPLORATION LTD.
(the “Corporation”)

CODE OF BUSINESS CONDUCT AND ETHICS

1. PURPOSE

This code of business conduct and ethics (this “Code”) provides a general statement of the Corporation’s expectations regarding the ethical standards that each director, officer and employee should adhere to while acting on behalf of the Corporation. “Employees” of the Corporation include permanent, contract and temporary employees, and include independent contractors who are engaged in an employee-like capacity of the Corporation. Each director, officer and employee is expected to read and become familiar with the ethical standards described in this Code and may be required, from time to time, to affirm his or her agreement to adhere to such standards.

Through this Code, we endorse the following principles:

- (a) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) full, fair, accurate, timely and understandable disclosure in the Corporation’s shareholder reports and in other public communications and filings of the Corporation;
- (c) compliance with applicable governmental laws, rules and regulations; and
- (d) accountability by all of our directors, officers and employees for adherence to this Code.

This Code outlines the broad principles of legal and ethical business conduct embraced by our Corporation. It is not a complete list of legal or ethical questions a director, officer or employee might face in the course of business, and therefore this Code must be applied using common sense and good judgment. Compliance with the spirit as well as the letter of this Code is very important to us.

Any director, officer or employee of the Corporation who violates the Code may face disciplinary action up to and including termination of their office or employment with the Corporation for just cause without notice or payment in lieu of notice or immediate termination of a services contract. Each such individual is expected to review the Code annually to satisfy themselves that they have adhered to the stated principles and standards. Each director, officer and employee of the Corporation will be provided with a copy of the Code and will be required to acknowledge, through their signature, their understanding of and their agreement to comply with the Code as a term of their office or employment.

2. ADMINISTRATION

The Board of Directors of the Corporation (the “Board”) is responsible for setting the standards of business conduct contained in this Code and updating these standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Corporation, the business practices within the Corporation’s industry, the Corporation’s own business practices, and the prevailing ethical standards of the communities in which the Corporation operates. While the Corporation’s Chief Executive Officer and Chief Financial Officer will oversee the procedures designed to implement this Code to ensure that they are operating effectively, it is the individual responsibility of each director, officer and employee of the Corporation to comply with this Code. Those who violate this Code will be subject to disciplinary action.

3. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law, both in letter and in spirit, is the foundation on which the Corporation's ethical standards are built. All directors, officers and employees must respect and obey the laws and governmental rules and regulations of the countries, provinces, cities and local communities in which we operate. Although we do not expect that all directors, officers and employees will know and understand the details of all of these applicable laws and regulations, we do expect that everyone will know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

The Corporation is engaged in a variety of business relationships with other companies, individuals, organizations and levels of government, primarily in Canada, but sometimes also in other countries. In all interactions, directors, officers and employees of the Corporation are required to act ethically, honestly and with integrity and to comply with all laws, rules and regulations governing their activities.

4. GIFTS AND ENTERTAINMENT

Directors, officers and employees may give and receive reasonable gifts with a monetary value to a maximum of \$750 and participate as hosts and guests in entertainment provided:

- (a) there is no requirement or appearance of impropriety or obligation; and
- (b) the gift or entertainment does not violate the law, standards of business conduct or this Code.

Any gifts given or received with a monetary value in excess of \$750 shall be approved by any one of the Chief Executive Officer or Chief Financial Officer. Any such gifts may result in a taxable benefit to the recipient and, in such case, the recipient shall be solely responsible for the payment of any taxes or charges that become payable as a result of having received the gift.

Directors, officers and employees shall not give, offer or agree to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official (as defined in the *Corruption of Foreign Public Officials Act*) or to any person for the benefit of a foreign public official, except in compliance with the *Corruption of Foreign Public Officials Act* and if such payments are not prohibited by local law.

5. CONFLICTS OF INTEREST; CORPORATE OPPORTUNITIES

Director and Officer Conflicts of Interest

Each director and officer who has a material interest of any kind in any existing or proposed transaction or agreement with the Corporation is required to abide by the disclosure requirements set out in section 120 of the *Business Corporations Act* (Alberta) (the "ABCA") including by taking the following steps:

- (a) disclosing the nature and extent of his or her interest to the Board at the meeting at which a proposed contract or transaction in which the director or officer has an interest is first considered or at the first meeting after the director or officer becomes interested;
- (b) upon the request of the Board upon its being advised of the conflict, excusing him or herself from all Board or Committee deliberations in respect of the existing or proposed transaction or agreement;
- (c) abstaining from voting in respect of the existing or proposed transaction or agreement in which the director or officer has a material interest; and

- (d) abiding by all of the requirements set out in section 120 of the ABCA.

Employee Conflicts of Interest

Employees of the Corporation while providing services to the Corporation are not permitted to take steps contrary to the best interests of the Corporation and may not:

- (a) use the Corporation's property for his or her own material benefit;
- (b) influence the Corporation's contractors, consultants or advisors for his or her personal gain;
- (c) recommend decisions for the Corporation that materially benefit the employee, his or her family members, friends, or other business interests;
- (d) personally act on business opportunities presented to the Corporation;
- (e) own more than a 5% interest in any entity that sells supplies, furnishes services or otherwise engages in business with the Corporation without first advising the Chair of the Board and obtaining the approval of the Board;
- (f) own more than a 5% interest in any entity that is a competitor of the Corporation without first advising the Chair of the Board and obtaining the approval of the Board;
- (g) be a consultant to, or an officer or employee of, or otherwise operate an outside entity that is a competitor of the Corporation; and
- (h) serve on the board of an entity that is a competitor of the Corporation without first advising the Chair of the Board and obtaining the approval of the Board.

During business hours, officers and employees are required to devote their full time and attention to the Corporation and no outside activities, business or secondary employment is permitted during business hours.

Prior to acknowledging compliance with the Code, and at any time when a conflict arises, officers and employees are required to report in writing their existing or potential conflicts of interest to the Chair of the Board.

6. INSIDER TRADING

Directors, officers and employees are expected to fully comply with Canadian securities laws with respect to the disclosure of "material" corporate information and with respect to "insider" trading in the Corporation's securities. These laws provide for substantial civil and criminal penalties for individuals who fail to comply. Information that reasonably can be expected to affect the market value of a Corporation's shares or to influence an investor's decisions regarding securities transactions is considered "material." Such information may include financial and key business data; merger, acquisition or divestiture discussions; award or cancellation of a major contract; forecasts of future results; significant litigation; and/or gain or loss of a significant customer or supplier.

Insiders are prohibited from transacting in the Corporation's shares with knowledge of material information that has not been disclosed to the public. For purposes of these restrictions, an "insider" includes not only directors, officers and employees of the Corporation, but also anyone else with non-public material information about the Corporation. You may be deemed to have violated these laws even

if you innocently pass on non-public information about the Corporation to a friend or family member who then acts on such information and buys or sells the Corporation's shares. To avoid inadvertent disclosure of non-public material information, directors, officers and employees should not discuss such information with or in the presence of any unauthorized persons, including family members and friends.

7. CONFIDENTIALITY; PROTECTION AND PROPER USE OF THE CORPORATION'S ASSETS

Directors, officers and employees shall maintain the confidentiality of all information entrusted to them by the Corporation or its suppliers, customers or other business partners, except when disclosure is authorized by the Corporation or legally required.

Confidential information includes: (1) information marked "Confidential," "Private," "For Internal Use Only," or similar legends; (2) technical or scientific information relating to current and future products, services or research; (3) business or marketing plans or projections; (4) earnings and other internal financial data; (5) personnel information; (6) supply and customer lists; and (7) other non-public information that, if disclosed, might be of use to the Corporation's competitors, or harmful to the Corporation or its suppliers, customers or other business partners. Confidential information also includes information that our customers and suppliers have entrusted to us.

To avoid inadvertent disclosure of confidential information, directors, officers and employees shall not discuss confidential information with or in the presence of any unauthorized persons, including family members and friends.

The obligation to preserve confidential information continues even after your employment or other relationship with the Corporation ends.

This Code is not intended to modify any separate confidentiality agreement to which a director, officer or employee may be subject.

Proper use of all of the Corporation's property, information resources (including internet, email, and intranet) and communications systems is the responsibility of all employees. Our physical assets are intended for conducting Corporation business. All electronic and telephonic communication products, intranet and internet servers or any other systems owned, licensed or operated by the Corporation are considered the Corporation's business records, and therefore, Corporation property and should be used in accordance with Corporation corporate policy.

The information, ideas, concepts and know-how described, documented or contained in the Corporation's electronic communications systems and related databases are the intellectual property of the Corporation. The copying or use of the Corporation's intellectual property for personal use or benefit during or after employment with the Corporation is prohibited.

Proprietary information including intellectual property and corporate private or confidential information is extremely valuable and must not be disclosed to anyone without proper authorization.

8. FAIR DEALING

The Corporation is committed to promoting the values of honesty, integrity and fairness in the conduct of its business and sustaining a work environment that fosters mutual respect, openness and individual integrity. Directors, officers and employees are expected to deal honestly and fairly with the Corporation's customers, suppliers, competitors and other third parties, including governmental agencies. To this end, directors, officers and employees shall not:

- (a) make false or misleading statements to customers, suppliers or other third parties;
- (b) make false or misleading statements about competitors;
- (c) solicit or accept from any person that does business with the Corporation, or offer to extend to any such person:
 - (i) cash of any amount; or
 - (ii) gifts, gratuities, meals or entertainment that could influence or reasonably give the appearance in influencing the Corporation's business relationship with that person or go beyond common courtesies usually associated with accepted business practice;
- (d) solicit or accept any fee, commission or other compensation for referring customers to third-party vendors; or
- (e) otherwise take unfair advantage of the Corporation's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

9. DISCRIMINATION AND HARASSMENT

The Corporation is committed to providing equal employment opportunity in employment and will not tolerate any illegal discrimination or harassment. Improper conduct, such as derogatory comments based on racial or ethnic characteristics or religious preferences and unwanted sexual advances, will not be tolerated.

10. HEALTH AND SAFETY

The Corporation strives to provide each of its employees with a safe and healthy workplace. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following health and safety rules and practices instituted by the Corporation and by reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs or alcohol in the workplace will not be tolerated.

11. RECORD KEEPING

The Corporation requires honest and accurate recording and reporting of information in order to make responsible business decisions.

All of the Corporation's books, records, accounts and financial statements must be maintained in reasonable detail and must conform both to applicable legal requirements and to the Corporation's system of internal controls.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks and other inappropriate statements about people and other companies. This applies to e-mail, internal memos and formal reports. Records should always be retained or destroyed in accordance with the Corporation's record retention policies. No person shall knowingly alter, destroy or make a false entry in any record with the intent to obstruct a government investigation or bankruptcy case. Directors,

officers or employees may report any concerns regarding questionable accounting and auditing matters confidentially and anonymously to the Chief Financial Officer or any member of the Audit Committee.

12. ACCURATE AND TIMELY PERIODIC REPORTS

The Corporation is committed to providing investors with full, fair, accurate, timely and understandable disclosure in the periodic reports that it is required to file. To this end, the Corporation shall:

- (a) comply with generally accepted accounting principles at all times;
- (b) maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;
- (c) maintain books and records that accurately and fairly reflect the Corporation's transactions;
- (d) prohibit the establishment of any undisclosed or unrecorded funds or assets;
- (e) maintain a system of internal controls that will provide reasonable assurances to management that material information about the Corporation is made known to management, particularly during the periods in which the Corporation's shareholder reports are being prepared; and
- (f) present information in a clear and orderly manner and avoid the use of legal and financial jargon in the Corporation's periodic reports.

13. POLITICAL CONTRIBUTIONS

No corporate assets, including employees' work time, use of the Corporation's facilities or equipment or direct monetary payment, may be contributed to any political candidate, party, political action committee or ballot measure without the permission of the Board. This does not preclude individuals from participating in any political activities of their choice on an individual basis, with their own money and on their own time.

14. REPORTING AND EFFECT OF VIOLATIONS

General Policy

Directors officers and employees are encouraged to report any conduct which they believe in good faith to be violation or apparent violation of this Code. If you believe a violation has occurred, please contact the Corporation's Chief Financial Officer.

The Corporation will not allow any retaliation against a director, officer or employee who acts in good faith in reporting any such violation.

Complaint Procedure

Corporation personnel who observe, learn of or, in good faith, suspect a violation of the Code must promptly report the violation or discuss issues and concerns of the type covered by this Code with his or her immediate manager, who in turn is responsible for informing the Chief Financial Officer of any violations or concerns raised. If an employee prefers not to report the matter to his or her own manager, the employee may instead report the matter directly to the Chief Financial Officer and/or in accordance with the Corporation's Whistleblower Policy.

Corporation personnel who have concerns such as accounting discrepancies, fraud, accounting misrepresentations, auditing matters, accounting omissions, ethics violations or any other financially related concerns should report the matter directly to the Chief Financial Officer at the above address or to the Chair of the Audit Committee and/or in accordance with the Corporation's Whistleblower Policy.

Whenever practical, the complaint should be made in writing. It is unacceptable to submit a complaint knowing it is false.

Investigation

Reports of violations will be investigated under the supervision of the Chair of the Audit Committee in consultation with external counsel, if applicable or desired. Corporation personnel are expected to cooperate in the investigation of reported violations.

Confidentiality

Except as may be required by law or the requirements of the resulting investigation, the Chief Financial Officer and others conducting the investigation shall not disclose the identity of anyone who reports a suspected violation if anonymity is requested.

Protection Against Retaliation

Retaliation in any form against an individual who reports an alleged violation of this Code, even if the report is mistaken, may itself be a violation of law and is a serious violation of this Code. Any alleged act of retaliation must be reported immediately. If determined to have in fact occurred, any act of retaliation may result in appropriate disciplinary action, which may include termination of employment.

15. WAIVERS

The provisions of this Code may be waived for directors or executive officers only by a resolution of the Corporation's independent directors. The provisions of this Code may be waived for employees who are not directors or executive officers by the Corporation's Chief Executive Officer. Any waiver of this Code granted to a director or executive officer will be promptly disclosed to the extent required by law, rule, regulation or stock exchange requirement.

I hereby acknowledge that I have read, understood and will comply with the foregoing Code of Business Conduct and Ethics.

Name (*please print*)

Signature

Date

Forward originally signed document to the Chief Financial Officer of the Corporation for inclusion in your personnel file.

Adopted and approved by the Board February 26, 2013.