

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company:

Kelt Exploration Ltd. (“**Kelt**” or the “**Company**”)
Suite 600, West Tower
321 – Sixth Avenue S.W.
Calgary, Alberta T2P 3H3

Item 2 Date of Material Change:

August 27, 2013.

Item 3 News Release:

A news release disclosing the material change described herein was issued by Kelt on August 27, 2013 and disseminated through the facilities of Canada Newswire.

Item 4 Summary of Material Change:

Kelt announced that it had completed a 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.

Item 5 Full Description of Material Change:

5.1 Full Description of Material Change

Kelt announced that it had completed a deal private placement 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 (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 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.

5.2 *Disclosure for Restructuring Transaction*

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7 Omitted Information:

Not applicable.

Item 8 Executive Officer:

The name and business telephone number of an executive officer of Kelt who is knowledgeable about the material change and who can be contacted is:

Sadiq H. Lalani
Vice President, Finance and Chief Financial Officer
Telephone: (403) 215-5310

Item 9 Date of Report:

August 27, 2013.

Cautionary Statement on Forward-Looking Statements and Information

This material change report 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 material change report include, but are not limited to: the use of proceeds from the Offering.

The forward-looking statements and information contained in this material change report 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 foregoing 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 material change report 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 material change report 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 material change report 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.