



## **PRESS RELEASE**

(Stock Symbol: **KEL** – TSX)

February 25, 2015

Calgary, Alberta

### **KELT ANNOUNCES \$28.4 MILLION CDE FLOW-THROUGH EQUITY FINANCING**

**CALGARY, Alberta**, Kelt Exploration Ltd. ("Kelt" or the "Company") has determined to issue, by way of a non-brokered private placement, 3.3 million common shares on a "flow-through" basis in respect of Canadian development expenses ("CDE") at a price of \$8.60 per share (the "Private Placement"), resulting in gross proceeds of \$28.4 million. The flow-through share issue is priced at a 10% premium to the volume weighted average trading price of Kelt's common shares for the three trading days ending February 24, 2015 of \$7.82 on the Toronto Stock Exchange ("TSX"). Proceeds from the Private Placement will be used to partially finance the Company's drilling and completion expenditures during the remainder of 2015.

Certain directors, officers and employees of the Company have subscribed to purchase 1.7 million flow-through common shares for gross proceeds of \$14.7 million, representing approximately 52% of the aggregate issue. The Private Placement is expected to close, in one or more tranches, by mid-March 2015.

Kelt shall, pursuant to the provisions in the *Income Tax Act* (Canada), incur eligible Canadian development expenses (the "Qualifying Expenditures"), after the applicable closing date(s) and prior to December 31, 2015 in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of the subject flow-through common shares. Kelt shall renounce the Qualifying Expenditures so incurred to the purchasers of the flow-through common shares in an amount equal to \$8.60 per share on or prior to December 31, 2015.

The Private Placement is subject to certain conditions including normal regulatory approvals and specifically, the approval of the TSX. The flow-through common shares will be offered in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. The common shares issued in connection with the Private Placement will be subject to a statutory hold period of four months plus one day from the applicable date(s) of completion of the Private Placement, in accordance with applicable securities legislation.

## **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.

## 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, this press release contains forward-looking statements pertaining, to the following: the Company's plans to incur and renounce the Qualifying Expenditures and the expected closing of the Private Placement.

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 (e.g., 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; and competition from other explorers) as well as general economic conditions, stock market volatility; and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

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.

For further information, please contact:

**Kelt Exploration Ltd.**, Suite 300, 311 – 6<sup>th</sup> Avenue SW, Calgary, Alberta, Canada T2P 3H2  
**David J. Wilson**, President and Chief Executive Officer (403) 201-5340, or  
**Sadiq H. Lalani**, Vice President, Finance and Chief Financial Officer (403) 215-5310.  
Or visit our website at [www.keltexploration.com](http://www.keltexploration.com).