kelt exploration

MANAGEMENT'S DISCUSSION & ANALYSIS

AS AT AND FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

Kelt Exploration Ltd. ("Kelt" or the "Company") is an oil and gas company based in Calgary, Alberta, focused on the exploration, development and production of crude oil and natural gas resources in Western Canada. Kelt's business plan is for long-term profitable growth by implementing a full cycle exploration and development program, with emphasis on low-cost land accumulation with the potential for high rates of return on capital invested. Kelt has an active exploration and development drilling program that it may complement with acquisitions and dispositions that optimize its asset base.

The Company was incorporated under the *Business Corporations Act* (Alberta) on October 11, 2012. Kelt's assets are comprised of three core operating divisions, namely: (1) Wembley/Pipestone in Alberta; (2) Pouce Coupe/Progress/Spirit River in Alberta; and (3) Oak/Flatrock in British Columbia. The Company's British Columbia assets are operated by Kelt Exploration (LNG) Ltd. ("Kelt LNG"), a wholly owned subsidiary of Kelt. The head office of the Company is located at Suite 300, 311 - 6th Avenue S.W., Calgary, Alberta T2P 3H2. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "KEL". Additional information relating to Kelt can be found on SEDAR at www.sedar.com.

This Management's Discussion and Analysis ("MD&A") is dated November 10, 2021 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes as at and for the three and nine months ended September 30, 2021 and its audited consolidated annual financial statements and MD&A as at and for the year ended December 31, 2020. The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Company's Board of Directors approved and authorized the consolidated interim financial statements for issue on November 10, 2021.

GENERAL ADVISORY

This MD&A uses "funds flow", "adjusted funds from operations", "annualized quarterly adjusted funds from operations", "funds flow per common share", "netback", "operating netback", "petroleum and natural gas sales before marketing revenue" "petroleum and natural gas sales after cost of purchases", "operating income", "net debt (surplus)", "net realized prices", "net debt (surplus) to annualized quarterly adjusted funds from operations ratio", and "net debt (surplus) to cash flow" which do not have standardized meanings prescribed by generally accepted accounting principles ("GAAP") and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. For further information and reconciliation to Canadian generally accepted accounting principles "GAAP" measures, see "*Non-GAAP Financial Measure and Other Key Performance Indicators*" in this MD&A.

This MD&A contains forward-looking information within the meaning of applicable Canadian 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. Such forward-looking information is based upon certain expectations and assumptions and actual results may differ materially from those expressed or implied by such forward-looking information. For further information regarding the forward-looking information contained herein, including the assumptions underlying such forward-looking information, see *"Advisories Regarding Forward-Looking Statements"* in this MD&A.

BASIS OF PRESENTATION

All dollar amounts are referenced in thousands of Canadian dollars, except when noted otherwise. This MD&A 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 MD&A

include crude oil and field condensate. References to “natural gas liquids” or “NGLs” include pentane, butane, propane, and ethane. References to “liquids” include field condensate and NGLs. References to “gas” include natural gas and sulphur.

COVID-19

The COVID-19 pandemic remains a risk and continues to cast uncertainty on the global economic recovery as risks surrounding the emergence of new COVID-19 variants and the impact, if any, on commodity prices and equity markets. The Company will continue to update its significant judgments, estimates and assumptions as the understanding of the longer-term impacts of COVID-19 on commodity prices, credit availability and equity markets becomes available.

FINANCIAL AND OPERATING SUMMARY

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
FINANCIAL PERFORMANCE						
Petroleum and natural gas sales	**75,761**	48,823	55	**196,240**	165,195	19
Cash provided by (used in) operating activities	**46,547**	(8,610)	641	**107,658**	55,991	92
Adjusted funds from operations (1)	**36,336**	9,002	304	**93,239**	48,074	94
Diluted ($/ common share) (1)	**0.19**	0.05	280	**0.49**	0.25	96
Net income (loss) and comprehensive income (loss)	**3,752**	(24,080)	116	**61,260**	(350,826)	117
Diluted ($/ common share)	**0.02**	(0.13)	115	**0.32**	(1.87)	117
Capital expenditures, net of dispositions	**71,162**	(497,321)	114	**146,393**	(378,427)	139
Net debt (surplus) (1)	**28,174**	(132,263)	121	**28,174**	(132,263)	121
OPERATIONAL PERFORMANCE						
Average daily production (BOE/d)	**19,621**	22,443	-13	**19,360**	27,852	-30
Combined net realized price, before financial instruments (1)	**41.37**	22.80	81	**36.26**	20.82	74
Combined net realized price, after financial instruments (1)	**38.33**	19.31	98	**34.33**	22.50	53
Operating netback (1)	**21.10**	7.02	201	**18.85**	8.43	124

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

INGA ASSET DISPOSITION

On August 21, 2020, Kelt completed the disposition of its Inga/Fireweed assets (the “Inga Asset Disposition” or “Inga Assets”) for consideration of $503.9 million after closing adjustments. The purchaser also assumed $42.5 million of abandonment and reclamation liabilities, $28.8 million of financing liabilities and $1.1 million of lease and other liabilities. Kelt’s comparative 2020 financial and operating results include the Inga Assets until the closing of the disposition on August 21, 2020. Production from the Inga Assets was 7,524 BOE per day for the third quarter of 2020 and 12,091 BOE per day for the nine months ending September 30, 2020.

In the third quarter of 2021, Kelt’s financial and operating results are highlighted by the following:

- **Production** – Third quarter 2021 production averaged 19,621 BOE per day (38% oil/NGLs), up slightly from 19,592 BOE per day (34% oil/NGLs) in the second quarter of 2021, and a decrease of 13% from the third quarter of 2020.

- **Petroleum and natural gas sales –** Higher realized prices due to rising benchmark crude oil and natural gas prices resulted in a significant increase in petroleum and natural gas sales in 2021. For the three months ended September 30, 2021, petroleum and natural gas sales was $75.8 million, an increase of 25% from $60.6 million in the second quarter of 2021, and a 55% increase from the third quarter of 2020. Kelt’s combined net realized price before financial instruments of $41.37 per BOE increased 25% from the second quarter of 2021 and increased 81% from the third quarter of 2020.

- **Cash provided by (used in) operating activities / Adjusted funds from operations** – Cash flow by (used in) operating activities and adjusted funds from operations increased by over 90% for the nine months ended September 30, 2021 versus the comparable period in 2020. The increase was driven by an increase in petroleum and natural gas prices in 2021.

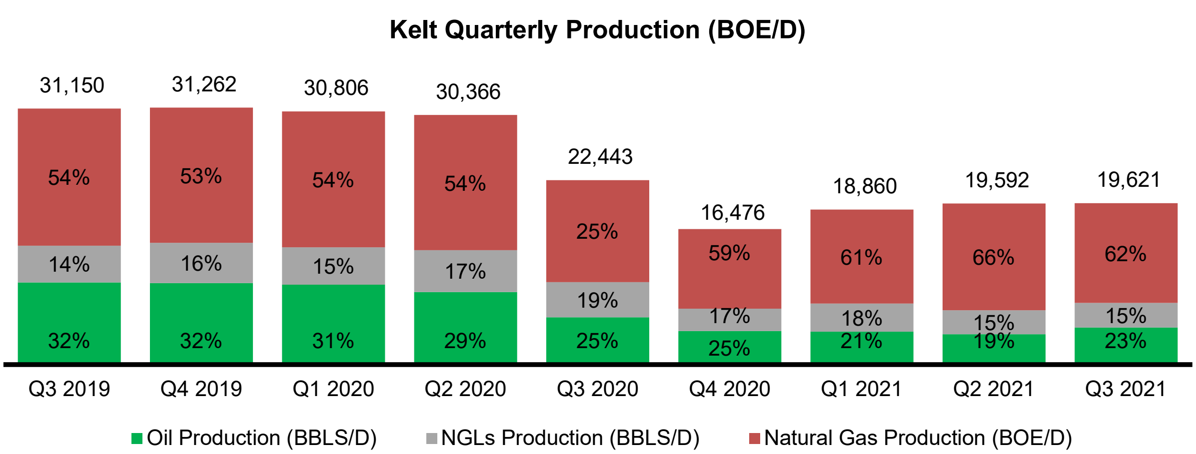
- **Net Income (loss) -** Kelt reported a net income of $3.8 million ($0.02 per common share, diluted) for the three months ended September 30, 2021, compared to a net income of $54.7 million ($0.29 per common share, diluted) in second quarter of 2021 and a net loss of $24.1 million ($0.13 per common share, diluted) in the comparative period in 2020. The positive net income in the second quarter of 2021 of $54.7 million was primarily related to an after-tax impairment reversal of $54.0 million taken in the quarter.

- **Operating netback** – Kelt's operating netback was $21.10 per BOE for the quarter ended September 30, 2021, an increase from $17.68 per BOE in the second quarter of 2021 and an increase of 201% from $7.02 per BOE during the quarter ended September 30, 2020. The increase in the operating netback in 2021 compared to 2020 was driven primarily by an increase in petroleum and natural gas benchmark prices in 2021.

- **Capital investments** – During the third quarter of 2021, capital expenditures, prior to property acquisitions and dispositions, was $80.1 million and included the drilling of 5.0 net wells and completion of 11.0 net wells. Facilities, pipeline and well equipment spend of $35.3 million was focused on new pipelines, and the construction of a facility at Kelt's Oak property. At September 30, 2021 the Company has ten drilled and completed wells at Oak which are expected to be brought on-production after the Oak facility is completed in the fourth quarter of 2021. In addition, Kelt has three wells in Alberta that it plans to bring on-production in the fourth quarter of 2021.

- **Liquidity** – The Company ended the quarter with no borrowings on its credit facility (other than outstanding letters of credit of $1.2 million) and net debt of $28.2 million (0.2 times annualized quarterly funds from operations). Subsequent to the third quarter of 2021, the Company and its lenders entered into a new $100.0 million revolving term credit facility ("New Credit Facility").

PRODUCTION



(CA$ thousands, except as otherwise indicated)	Three months ended September 30 2021	2020	%	Nine months ended September 30 2021	2020	%
Average daily production:						
Oil (bbls/d)	**4,485**	5,712	-21	**4,041**	8,064	-50
NGLs (bbls/d)	**3,004**	4,286	-30	**3,120**	4,644	-33
Gas (mcf/d)	**72,789**	74,672	-3	**73,195**	90,861	-19
Combined (BOE/d)	**19,621**	22,443	-13	**19,360**	27,852	-30
Oil and NGLs weighting	**38%**	45%	-14	**37%**	46%	-19

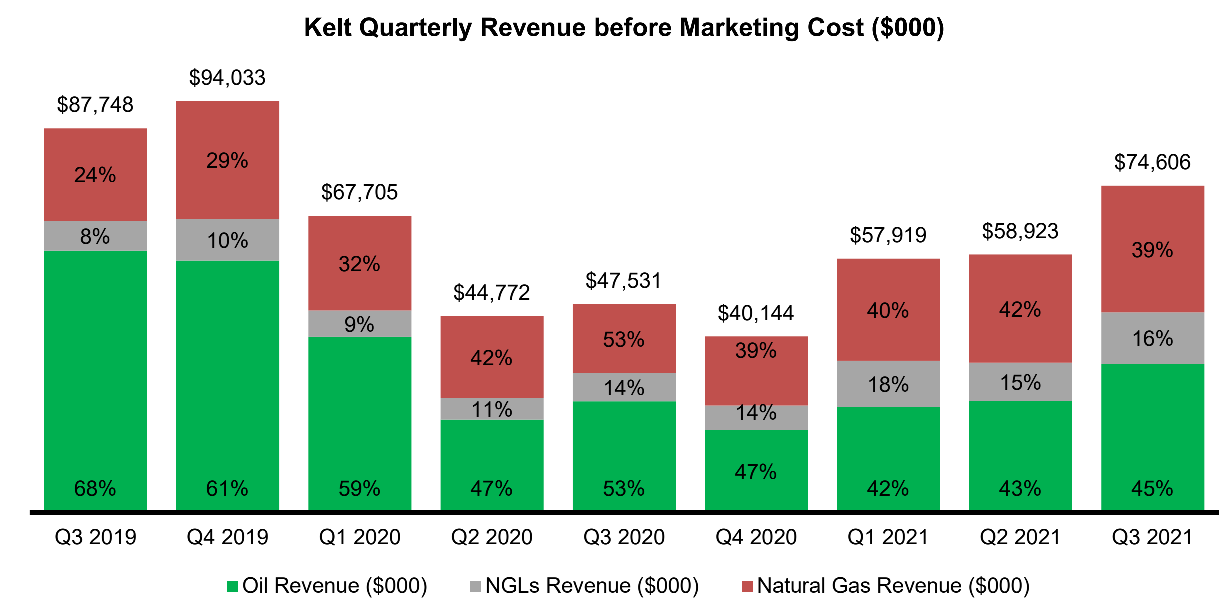
Average production for the three months ended September 30, 2021 of 19,621 BOE per day and for the nine months ended September 30, 2021 of 19,360 BOE per day decreased 13% and 30%, respectively, from the comparable periods in 2020. The decrease in production for the three and nine months ending September 30, 2021 versus the comparable period in 2020 was primarily a result of the Inga Asset Disposition which closed on August 21, 2020.

Average production for the third quarter of 2021 increased slightly compared to the second quarter of 2021. Seven wells were brought on-stream in the third quarter of 2021; three wells at Pouce Coupe, two wells at Wembley/LaGlace, and two Charlie Lake wells at Spirit River. The increase in production from these wells was partially offset by approximately 2,800 BOE per day of temporary shut-in production during the third quarter of 2021. The shut-in production was primarily a result of maintenance at third party facilities.

Oil and NGLs weighting of 38% for the three months ending September 30, 2021 decreased from 45% in the third quarter of 2020 and oil and NGLs weighting of 37% for the nine months ending September decreased from 46% from the comparable period in 2020. The decrease was a result of the sale of the Inga Assets in 2020.

PETROLEUM AND NATURAL GAS SALES (“P&NG SALES”)

All references to revenue in this discussion are before royalties.



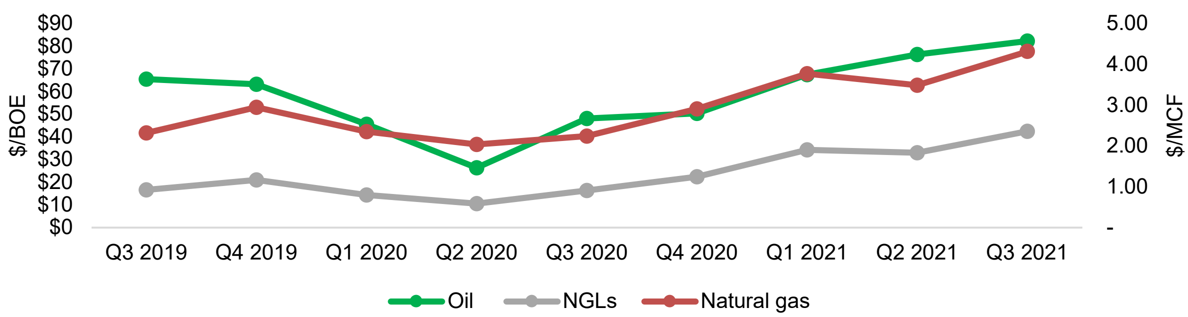
(CA$ thousands, except as otherwise indicated)	Three months ended September 30 **2021**	2020	%	Nine months ended September 30 **2021**	2020	%
P&NG Sales before royalties and financial instruments:						
Oil	**33,908**	25,291	34	**83,309**	86,555	-4
NGLs	**11,732**	6,441	82	**31,100**	17,289	80
Gas	**28,966**	15,799	83	**77,039**	56,164	37
P&NG Sales before marketing revenue (4)	**74,606**	47,531	57	**191,448**	160,008	20
Marketing revenue (1)	**1,155**	1,292	-11	**4,792**	5,187	-8
P&NG Sales	**75,761**	48,823	55	**196,240**	165,195	19
Cost of purchases (2)	**(1,088)**	(1,749)	-38	**(4,583)**	(6,365)	-28
P&NG Sales after cost of purchases (3), (4)	**74,673**	47,074	59	**191,657**	158,830	21

(1) Sales of third-party volumes related to the Company's oil blending operations and natural gas activities.
(2) Cost of third-party volumes purchased for use and resale in the Company's oil blending operations and natural gas activities.
(3) P&NG sales after cost of purchases includes petroleum and natural gas sales, net of the cost of the third-party volumes purchased.
(4) Refer to additional information under the heading of *"Non-GAAP Financial Measures and Other Key Performance Indicators"*.

Petroleum and natural gas sales for the third quarter of 2021 was $75.8 million, up 55% from $48.8 million from the third quarter of 2020. Petroleum and natural gas sales for the nine months ending September 30, 2021 was $196.2 million, up 19% from the comparable period in 2020. The increase in revenue from 2020 was due to a significant increase in benchmark commodity prices, which was partially offset by lower production as a result of the sale of the Inga Assets.

Petroleum and natural gas sales of $75.8 million in the third quarter of 2021 increased 25% from $60.6 million in the second quarter of 2021. The increase quarter over quarter was primarily due to higher benchmark prices and higher oil production, partially offset by lower natural gas production.

Kelt Quarterly Realized Prices (1)



(1) Net realized prices are calculated based on Petroleum and Natural Gas Sales, less the cost of purchases of third-party volumes and reflect Kelt's realized commodity prices plus the net benefit of oil blending and natural gas marketing activities. Refer to additional information under the heading of *"Non-GAAP Financial Measures and Other Key Performance Indicators"*.

Net Realized and Benchmark Prices

	Three months ended September 30			Nine months ended September 30		
	2021	2020	%	**2021**	2020	%
Net realized prices						
Oil ($/bbl)	**82.35**	48.13	71	**75.71**	39.20	93
NGLs ($/bbl)	**42.45**	16.33	160	**36.51**	13.59	169
Gas ($/mcf)	**4.32**	2.24	93	**3.86**	2.20	75
Combined ($/BOE)	**41.37**	22.80	81	**36.26**	20.82	74
Average benchmark prices						
Oil and NGLs						
WTI Cushing Oklahoma (US$/bbl) (1)	**70.61**	40.89	73	**64.83**	38.17	70
Mixed Sweet Blend Edmonton ("MSW") ($/bbl) (2)	**83.78**	49.84	68	**75.88**	43.70	74
Edmonton Pentane (3)	**89.24**	51.73	73	**80.58**	47.85	68
Edmonton Butane (3)	**59.31**	19.13	210	**41.18**	22.72	81
Edmonton Propane (3)	**53.08**	14.16	275	**37.90**	16.33	132
Edmonton Ethane (3)	**9.94**	6.28	58	**8.87**	5.82	52
Natural Gas						
NYMEX Henry Hub (US$/MMBtu) (4)	**3.90**	1.94	101	**3.12**	1.88	66
AECO 5A (CA$/MMBtu) (4)	**3.60**	2.24	61	**3.28**	2.09	57
Chicago Alliance, into Interstates (CA$/MMBtu) (5)	**5.14**	2.43	112	**5.59**	2.33	140
Dawn (CA$/MMBtu) (5)	**5.13**	2.42	112	**4.11**	2.35	75
Malin (CA$/MMBtu) (5)	**5.51**	2.53	118	**4.35**	2.55	71
Sumas (CA$/MMBtu) (5)	**5.23**	2.51	108	**4.37**	2.60	68
Station 2 (CA$/MMBtu) (5)	**3.43**	2.25	52	**3.16**	2.07	53
Average exchange rate (CA$/US$) (6)	**1.2601**	1.3316	-5	**1.2516**	1.3539	-8

(1) Source: U.S Energy Information Administration, Canadian dollar equivalent price WTI price ("CA$WTI") is calculated based on the monthly average US dollar WTI price and the monthly average CA$/US$ exchange rate (6).

(2) Source: Tidal Energy Marketing.

(3) Source: Sproule Associates Limited.

(4) Source: Canadian Gas Price Reporter converted to CA$/MMBtu using monthly average CA$/US$ exchange rate (6).

(5) Source: Platts (US$/MMBtu) converted to CA$/MMBtu using monthly average CA$/US$ exchange rate (6).

(6) Source: Bank of Canada.

Combined Net Realized Price

Kelt's combined net realized price increased 81% to $41.37 per BOE in the third quarter of 2021 and increased 74% to $36.26 per BOE in the nine months ending September 30, 2021 versus the comparable periods in 2020. Benchmark prices for crude oil, natural gas and natural gas liquids have all increased in 2021 as global economies re-opened following the COVID-19 pandemic closures causing increased demand for commodities.

Oil prices

Benchmark WTI crude oil prices increased 73% for the quarter ended September 30, 2021 and increased 70% for the nine months ended September 30, 2021 versus the comparable periods in 2020. Benchmark WTI crude oil prices increased 7% in the third quarter of 2021 from the second quarter of 2021 to an average of $70.61 per BOE. The increase was primarily due to continued production supply curtailments from OPEC+ countries, on-going limited capital directed towards production growth in non-OPEC nations, and a significant reduction of global crude inventories as crude oil demand increased as countries exited COVID-19 pandemic lockdowns.

NGL prices

NGLs prices are impacted both by benchmark WTI prices, as well as localized market supply and demand issues.

For the three months and nine months ended September 30, 2021, Kelt's realized NGLs price increased 160% and 169%, respectively, as compared to the same period in 2020. The increase was primarily due to an increase in benchmark WTI prices and regional improvements in NGLs prices.

Average benchmark propane and butane prices in the third quarter of 2021 have increased 275% and 210%, respectively, versus the third quarter of 2020. International benchmark propane and butane prices have increased significantly in 2021 due to a decrease in inventory storage levels. With a strong export market in North America for butane and propane, higher international benchmark prices have increased exports, resulting in North American inventory storage levels dropping below the five year average, pushing up domestic prices.

Natural gas prices

Canadian natural gas benchmark prices increased in 2021 as compared to 2020 due to a combination of increased Alberta and North American natural gas demand, higher US natural gas exports to Mexico and higher US LNG exports when compared to historical five-year averages. Kelt's realized natural gas price increased by 93% to $4.32 per MCF in the third quarter of 2021 and by 75% to $3.86 per MCF for the nine months ended September 30, 2021 versus comparable periods in 2020.

Kelt manages its natural gas marketing portfolio in order to maximize its netbacks. Kelt has been reducing its exposure to US natural gas markets and increasing its exposure to AECO 5A and Station 2 as the fundamentals for Canadian natural gas prices improved. Kelt's natural gas sold at US indices comprised of approximately 35% of natural gas sales for the nine months ended September 30, 2021 compared to approximately 62% for the nine months ended September 30, 2020.

RISK MANAGEMENT AND HEDGING ACTIVITIES

The Company may enter into fixed price contracts and derivative financial instruments for commodity prices, currency exchange and interest rates in order to secure future cash flows or to protect a desired level of capital spending. Fair value accounting for derivative financial instruments may cause significant fluctuations in the reported amounts of derivative financial instrument assets and liabilities and the resultant magnitude of unrealized gains and losses.

The table below summarizes realized and unrealized gains (losses) on risk management contracts:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Realized gain (loss)	**(5,488)**	(6,348)	-14	**(10,201)**	13,719	-174
Unrealized gain (loss)	**(6,698)**	3,886	-272	**(14,237)**	(158)	8911
Gain (loss) on derivative financial instruments	**(12,186)**	(2,462)	395	**(24,438)**	13,561	-280
$ per BOE	**(6.75)**	(1.19)	466	**(4.62)**	1.77	-360

Commodity price risk

Inherent to the business of producing oil and gas, the Company's cash provided by (used in) operating activities is subject to commodity price risk. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and US dollar.

As at September 30, 2021, the following commodity price risk management contracts are outstanding:

Contract Type(1)(2)(3)	Notional Volume	Contract Price	Remaining Term
Natural gas derivative contracts			
AECO 5A fixed price swap	5,000 GJ/d	CAD$2.70/GJ	Oct 2021
NYMEX fixed price swap	25,000 MMBtu/d	CAD$3.80/MMBtu	Oct 2021
NYMEX fixed price swap	15,000 MMBtu/d	CAD$5.37/MMBtu	Nov 2021 – Mar 2022
NYMEX fixed price swap	10,000 MMBtu/d	CAD$4.90/MMBtu	Apr – Oct 2022
NYMEX costless collar	10,000 MMBtu/d	Ceiling CAD$4.68/MMBtu Floor CAD$3.60/MMBtu	Nov 2021 – Mar 2022
Crude oil derivative contracts			
WTI-MSW basis swap	1,500 bbl/d	WTI less USD$4.75 per bbl	Oct 2021 – Dec 2022

(1) West Texas Intermediate ("WTI")
(2) NYMEX Henry Hub ("NYMEX")
(3) Mixed Sweet Blend ("MSW")

Foreign exchange risk

Kelt is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given realized pricing is directly influenced by U.S. dollar denominated benchmark pricing and from exposure from certain U.S. dollar denominated natural gas marketing arrangements. As at November 10, 2021, there are no foreign exchange risk management contracts outstanding.

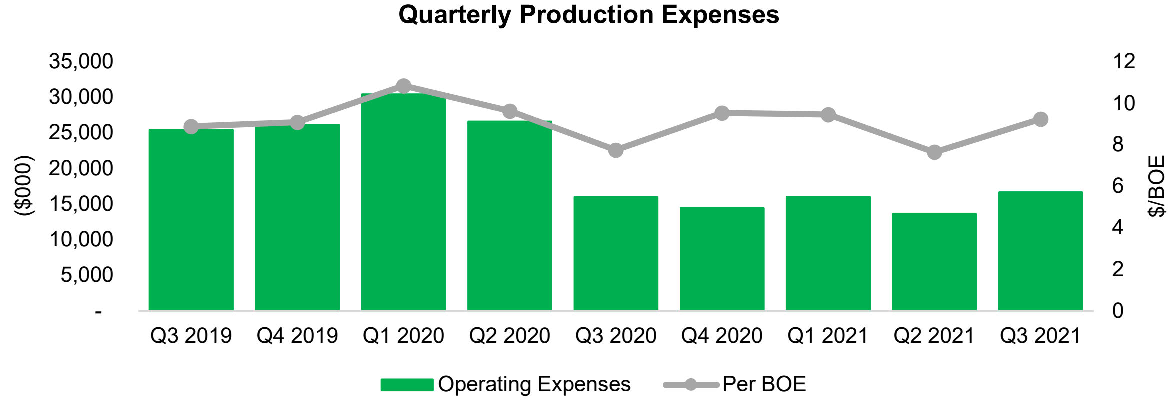
ROYALTIES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Royalties	**7,937**	1,947	308	**17,513**	7,130	146
Average royalty rate (1)	**10.6%**	4.1%	159	**9.1%**	4.5%	102
$ per BOE	**4.40**	0.94	368	**3.31**	0.93	256

(1) Average royalty rate is calculated based on total royalties as a percentage of "P&NG sales, before marketing revenue" which excludes revenue related to the sale of third party production volumes used in oil blending operations (see table under the heading of *"Revenue"*).

Kelt's average royalty rate was 10.6% during the third quarter of 2021, compared to 4.1% during the third quarter of 2020 and 9.1% for the nine months ending September 30, 2021 versus 4.5% in the same period in 2020. The reason for the increase in the 2021 royalty rate was due to a lower royalty rate associated with the Inga Assets sold in 2020, fewer wells in 2021 eligible for deep well royalty deductions, higher benchmark commodity prices, and a $1.2 million royalty credit in 2020 as part of the BC Infrastructure Royalty Credit Program.

PRODUCTION EXPENSES

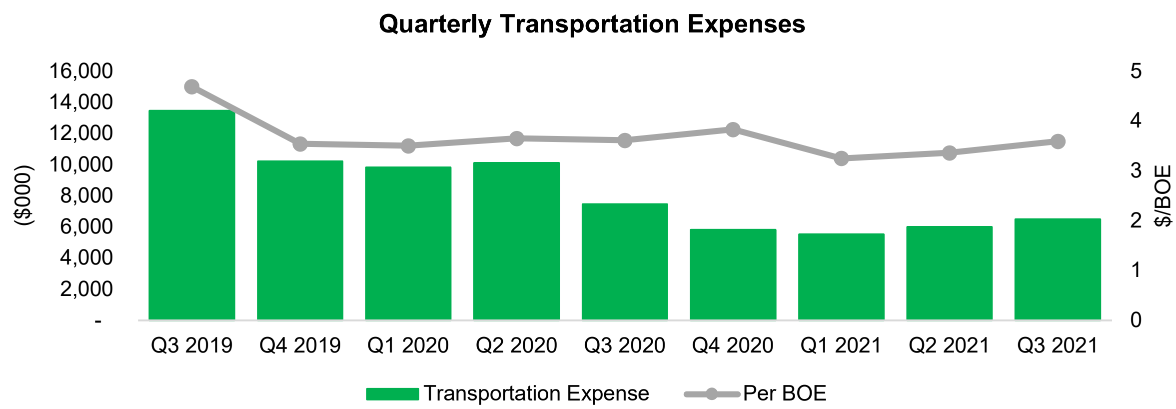


	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Production expense	**16,682**	15,987	4	**46,367**	72,987	-36
$ per BOE	**9.24**	7.74	19	**8.77**	9.56	-8

Production expenses were $16.7 million during the third quarter of 2021, up 4% from the comparative quarter in 2020. Production expenses averaged $9.24 per BOE during the third quarter of 2021, compared to $7.74 per BOE in the same period in 2020. Production expenses were lower in the third quarter of 2020 primarily due to the Company's a reduction in field activity resulting from the COVID-19 pandemic.

Production expenses of $46.4 million during the first nine months of 2021 declined 36% from $73.0 million during the nine months ending September 30, 2020. Production expenses averaged $8.77 per BOE during the nine months ending September 30, 2021, down from $9.56 per BOE for the nine months ending September 30, 2020.

TRANSPORTATION EXPENSES



	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Transportation expense (1)	**6,483**	7,453	-13	**17,983**	27,348	-34
$ per BOE	**3.59**	3.61	-1	**3.40**	3.58	-5

(1) Pipeline tariffs are classified as transportation expenses when the Company has firm commitments or contractual arrangements on the pipeline. Pipeline tariffs may also be incurred indirectly by way of deduction from the base price paid by the purchasers of the Company's oil, NGLs and gas sales. In the latter case, and in the absence of a firm contractual obligation on the pipeline, the pipeline tariffs are presented as a reduction of revenue rather than as transportation expense.

Transportation expenses during the third quarter of 2021 remained consistent compared to the third quarter of 2020 at an average of $3.59 per BOE. For the nine months ending September 30, 2021, transportation expenses averaged $3.40 per BOE, a decrease of 5% from $3.58 per BOE in the same period in 2020. Subsequent to the sale of Inga Assets in August 2020, Kelt reduced its overall exposure to US natural gas markets resulting in a decrease in natural gas transportation tolls.

FINANCING EXPENSES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Total interest expense	**31**	3,301	-99	**144**	12,403	-99
Accretion of convertible debentures	**-**	1,248	-100	**-**	3,640	-100
Accretion of decommissioning obligations	**534**	351	52	**1,442**	1,568	-8
Total financing expense	**565**	4,900	-88	**1,586**	17,611	-91
Interest expense per BOE (1)	**0.02**	1.60	-99	**0.03**	1.63	-98
Average principal amount outstanding during period:						
Bank debt	**-**	181,975	-100	**-**	268,851	-100
Convertible debentures	**-**	89,910	-100	**-**	89,910	-100
Average total principal amount of debt outstanding	**-**	271,885	-100	**-**	358,761	-100
Average interest rates (3):						
Bank debt (2)	**NA**	3.6	-	**NA**	3.5	-
Convertible debentures	**NA**	5.0	-	**NA**	5.0	-

(1) Interest expense used in the calculation of "Interest expense per BOE" includes interest and fees on bank debt and accrued cash interest on convertible debentures.

(2) Average interest rate excludes fees on bank debt which include bank commitment, standby and guarantee letter fees.

(3) For the nine months ended September 30, 2021, Kelt did not have any outstanding bank debt and convertible debentures

The Company's had no borrowings on its credit facility in the first nine months of 2021 resulting in a decrease in total interest expense from the prior year.

Additional information regarding the credit facility and debentures is provided under the heading of *"Capital Resources and Liquidity"*.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSES

The following table summarizes significant components of the Company's G&A expenses:

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Salaries and benefits	**2,467**	1,630	51	**6,741**	5,118	32
Other G&A expenses	**875**	925	-5	**2,702**	3,777	-28
Gross G&A expenses	**3,342**	2,555	31	**9,443**	8,895	6
Overhead recoveries	**(1,403)**	(710)	98	**(3,078)**	(3,425)	-10
G&A expense, net of recoveries	**1,939**	1,845	5	**6,365**	5,470	16
Gross G&A ($ per BOE)	**1.85**	1.24	49	**1.79**	1.17	53
Net G&A ($ per BOE)	**1.07**	0.89	20	**1.20**	0.72	67

Gross G&A expenses of $3.3 million increased 31% in the third quarter of 2021, from $2.6 million in the third quarter of 2020. Gross G&A expenses of $9.4 million for the nine months ending September 30, 2021 increased 6% from the nine months ending September 30, 2020.

The increase in gross G&A expenses in 2021 compared to 2020 is primarily driven by lower amounts received in 2021 from the federal government's Canada Emergency Wage Subsidy program. Higher capital spend during the three months ended September 30, 2021 resulted in higher overhead recoveries during the quarter compared to the three months ended September 30, 2020.

G&A expense, net of recoveries, was $1.07 per BOE for the third quarter of 2021 compared to $0.89 per BOE during the third quarter of 2020. On a per BOE basis, G&A expenses increased in 2021 primarily due to the decrease in production following the Inga Asset Disposition.

G&A expenses are reported net of overhead recoveries; however, Kelt does not capitalize any direct G&A expenses.

SHARE BASED COMPENSATION ("SBC")

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Stock options	**854**	593	44	**2,261**	2,420	-7
Restricted share units ("RSUs")	**323**	722	-55	**948**	1,978	-52
Total SBC expense	**1,177**	1,315	-10	**3,209**	4,398	-27
$ per BOE	**0.65**	0.64	2	**0.61**	0.58	5

The decrease in SBC expense during the three and nine months ended September 30, 2021 compared to the same quarter in 2020 is primarily due to fewer restricted shares units issued in recent periods.

As at September 30, 2021, stock options and RSUs outstanding represent 6.0% of total shares outstanding (December 31, 2020 – 5.5%).

GAIN (LOSS) ON SALE OF ASSETS

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Gain (loss) on sale of assets	**660**	(5,279)	-113	**807**	(3,576)	-123

In the third quarter of 2021, the Company disposed of non-core assets in the Spirit River area for net proceeds of $8.9 million after closing adjustments. The Spirit River assets had a net carrying value of $8.7 million (property plant and equipment costs of $21.7 million, accumulated depletion and depreciation of $10.9 million, exploration and evaluation costs of $1.4 million and abandonment obligations of $3.5 million), resulting in a gain on sale of $0.2 million.

On August 21, 2020, Kelt completed the Inga Asset Disposition, located in British Columbia, for consideration of $503.9 million after closing adjustments. The Inga Assets had a carrying value of $511.0 million, subsequent to the impairment taken in the second quarter of 2020, resulting in a loss on sale of $7.1 million.

DEPLETION, DEPRECIATION AND IMPAIRMENT (REVERSAL)

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Depletion and depreciation	**22,563**	19,106	18	**64,315**	94,591	-32
Impairment (reversal)	**-**	-	-	**(70,130)**	336,500	-121
Total	**22,563**	19,106	18	**(5,815)**	431,091	-101
Depletion and depreciation ($/BOE)	**12.50**	9.25	35	**12.17**	12.39	-2
Impairment (reversal) ($/BOE)	**-**	-	-	**(13.27)**	44.09	-130

Depletion and depreciation expense of $22.6 million for the quarter ended September 30, 2021 increased by 18% from $19.1 million in the comparable period in 2020. The increase is primarily attributed to the impairment reversal taken in the second quarter of 2021 and the increase in capital expenditures in the third quarter of 2021.

Depletion and depreciation expense of $64.3 million for the nine months ended September 30, 2021 decreased by 32% from $94.6 million in comparable period in 2020. The decrease was primarily attributed to Inga Asset Disposition.

In the first quarter of 2020, crude oil prices declined significantly as a result of the COVID-19 pandemic and an impairment test was conducted over all Kelt's CGUs. Based on the impairment test performed on the Alberta CGU, it was determined that the carrying value was in excess of the recoverable amount resulting in an impairment loss of $77.1 million (before-tax).

On August 21, 2020, the Company completed the disposition of the Inga Assets, which comprised the majority of the Company's BC CGU assets. As a result of the disposition, the BC CGU was impaired by $259.4 million (before-tax) in the second quarter of 2020, based on the transaction value contained in the Inga Asset Disposition purchase and sale agreement.

In the second quarter of 2021, as a result of increased forward commodity price forecasts and an increase in the Company's market capitalization since December 31, 2020, an impairment reversal test was performed on the Alberta CGU. Based on the impairment reversal test performed, it was determined that the recoverable amount of the Alberta CGU was in excess of its carrying value resulting in an impairment reversal of $70.1 million (before-tax).

INCOME TAXES

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Deferred income tax expense (recovery)	**2,054**	-	-	**19,504**	(56,428)	135
Net income (loss) before taxes	**5,806**	(24,080)	124	**80,764**	(407,254)	120
Effective tax recovery rate	**35.4%**	-	-	**24.1%**	13.9%	74

Kelt's consolidated combined federal and provincial statutory tax rate averaged 23.0% and 26.0% during the three months ended September 30, 2021 and 2020, respectively. For the quarter ended September 30, 2021, a deferred income tax expense of $2.1 million was recognized.

For the quarter ended September 30, 2020, due to uncertainty regarding future taxable income as a result of the COVID-19 pandemic, Kelt did not recognize a deferred tax asset and the corresponding deferred income tax recovery.

The Company's consolidated tax pools are estimated to be approximately $773.7 million as of September 30, 2021 as summarized in the table below.

(CA$ thousands, unless otherwise indicated)	Rate	**September 30 2021**	December 31 2020	% change
Canadian oil and gas property expenses (COGPE)	10-15%	**74,727**	87,273	-14
Canadian development expenses (CDE)	30-45%	**126,372**	81,882	54
Canadian exploration expenses (CEE)	100%	**34,276**	53,859	-36
Undepreciated capital cost (1) (UCC)	25-37.5%	**189,033**	179,396	5
Share and debt issue costs (SIC/DIC)	5 years	**328**	588	-44
Non-capital losses (2) (NCL)	100%	**348,994**	314,630	11
Estimated tax deductions available, end of period		**773,730**	717,628	8

(1) The majority of the Company's undepreciated capital cost deductions relate to Class 41 assets, which are deductible at a rate of 25-37.5% per year.
(2) The Company's non-capital losses expire in years 2023 to 2041.

ADJUSTED FUNDS FROM OPERATIONS

The following table provides a continuity of income and expenses included in the Company's calculation of operating income and adjusted funds from operations generated during the three and nine month periods ended September 30, 2021 and 2020, respectively.

THREE MONTHS ENDED SEPTEMBER 30TH	Amount			$/BOE		
(CA$ thousands, unless otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Petroleum and natural gas sales	**75,761**	48,823	55	**41.97**	23.65	77
Cost of purchases	**(1,088)**	(1,749)	-38	**(0.60)**	(0.85)	-29
Realized gain (loss) on financial instruments (1)	**(5,488)**	(7,213)	-24	**(3.04)**	(3.49)	-13
Royalties	**(7,937)**	(1,947)	308	**(4.40)**	(0.94)	368
Revenue, after royalties and financial instruments	**61,248**	37,914	62	**33.93**	18.37	85
Production expense	**(16,682)**	(15,987)	4	**(9.24)**	(7.74)	19
Transportation expense	**(6,483)**	(7,453)	-13	**(3.59)**	(3.61)	-1
Operating income/netback (2)	**38,083**	14,474	163	**21.10**	7.02	201
Financing expense (3)	**(31)**	(3,301)	-99	**(0.02)**	(1.60)	-99
G&A expense	**(1,939)**	(1,845)	5	**(1.07)**	(0.89)	20
Realized gain (loss) on financial instruments (2)	**-**	(365)	-100	**-**	(0.18)	-100
Realized gain (loss) on foreign exchange	**98**	(73)	-234	**0.05**	(0.04)	-225
Other income/expense	**125**	112	12	**0.07**	0.05	40
Adjusted funds from operations (2)	**36,336**	9,002	304	**20.13**	4.36	362
Basic ($ per common share) (4)	**0.19**	0.05	280			
Diluted ($ per common share) (4)	**0.19**	0.05	280			
Common shares outstanding (000s):						
Basic, weighted average	**188,842**	188,126	-			
Diluted, weighted average	**191,092**	188,740	1			

NINE MONTHS ENDED SEPTEMBER 30TH	Amount			$/BOE		
(CA$ thousands, unless otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Petroleum and natural gas sales	**196,240**	165,195	19	**37.13**	21.65	72
Cost of purchases	**(4,583)**	(6,365)	-28	**(0.87)**	(0.83)	5
Realized gain (loss) on financial instruments (1)	**(10,201)**	12,854	-179	**(1.93)**	1.68	-215
Royalties	**(17,513)**	(7,130)	146	**(3.31)**	(0.93)	256
Revenue, after royalties and financial instruments	**163,943**	164,554	-	**31.02**	21.57	44
Production expense	**(46,367)**	(72,987)	-36	**(8.77)**	(9.56)	-8
Transportation expense	**(17,983)**	(27,348)	-34	**(3.40)**	(3.58)	-5
Operating income/netback (2)	**99,593**	64,219	55	**18.85**	8.43	124
Financing expense (3)	**(144)**	(12,403)	-99	**(0.03)**	(1.63)	-98
G&A expense	**(6,365)**	(5,470)	-16	**(1.20)**	(0.72)	67
Realized gain (loss) on financial instruments (2)	**-**	865	-100	**-**	0.11	-100
Realized gain (loss) on foreign exchange	**(80)**	112	-171	**(0.01)**	0.01	-200
Other income/expense	**235**	751	-69	**0.04**	0.09	-56
Adjusted funds from operations (2)	**93,239**	48,074	94	**17.65**	6.29	181
Basic ($ per common share) (4)	**0.49**	0.26	88			
Diluted ($ per common share) (4)	**0.49**	0.25	96			
Common shares outstanding (000s):						
Basic, weighted average	**188,688**	187,939	-			
Diluted, weighted average	**190,299**	188,677	1			

(1) Includes realized gains (losses) on commodity price and foreign exchange derivatives.

(2) Includes realized gains (losses) on cash premium on financial instruments and interest rate derivatives.

(3) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

(4) Excludes non-cash accretion of decommissioning obligations and convertible debentures.

(5) Adjusted funds from operations (2) per common share is calculated on a consistent basis with profit (loss) per common share, using basic and diluted weighted average common shares as determined in accordance with GAAP.

During the three months ended September 31, 2021, adjusted funds from operations of $36.3 million ($0.19 per share, diluted) increased by 304% from $9.0 million ($0.05 per share, diluted) during the third quarter ended September 30, 2020. During the nine months ended September 30, 2021, adjusted funds from operations of $93.2 million ($0.49 per share, diluted) increased by 94% from $48.1 million ($0.25 per share, diluted) during the nine months ended September 30, 2020. The increase in adjusted funds from operations for both the three and nine months ended September 30, 2021 compared to the same period in 2020 is primarily attributed an increase in operating income and a decrease in financing expenses.

NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Net income (loss) and comprehensive income (loss)	**3,752**	(24,080)	116	**61,260**	(350,826)	117
$ per common share, basic	**0.02**	(0.13)	115	**0.32**	(1.87)	117
$ per common share, diluted (1)(2)	**0.02**	(0.13)	115	**0.32**	(1.87)	117
$ per BOE	**2.08**	(11.66)	118	**11.60**	(45.98)	125
Wtd avg. shares outstanding, basic (000s)	**188,842**	188,126	-	**188,688**	187,939	-
Wtd avg. shares outstanding, diluted (000s) (1)(2)	**191,092**	188,740	1	**190,299**	188,677	1

(1) The Company uses the treasury stock method to determine the dilutive effect of stock options and RSUs. Under this method, only “in-the-money” dilutive instruments impact the calculation of diluted profit or loss per common share. For the three and nine months ended September 30, 2021, the company included the effect of stock options and RSUs in calculating the diluted profit or loss per common share however, the effect was negligible.

(2) The common shares potentially issuable on conversion of the debentures (prior to their redemption on October 3, 2020) were excluded from the 2020 calculation of diluted weighted average shares outstanding as they were anti-dilutive to the loss reported.

Kelt reported net income of $3.8 million ($0.02 per common share, diluted) for the three months ended September 30, 2021, compared to a net loss of $24.1 million ($0.13 per common share, diluted) in the same three month period of 2020. The increase to profit is primarily due to a $27.3 million increase in adjusted funds from operations.

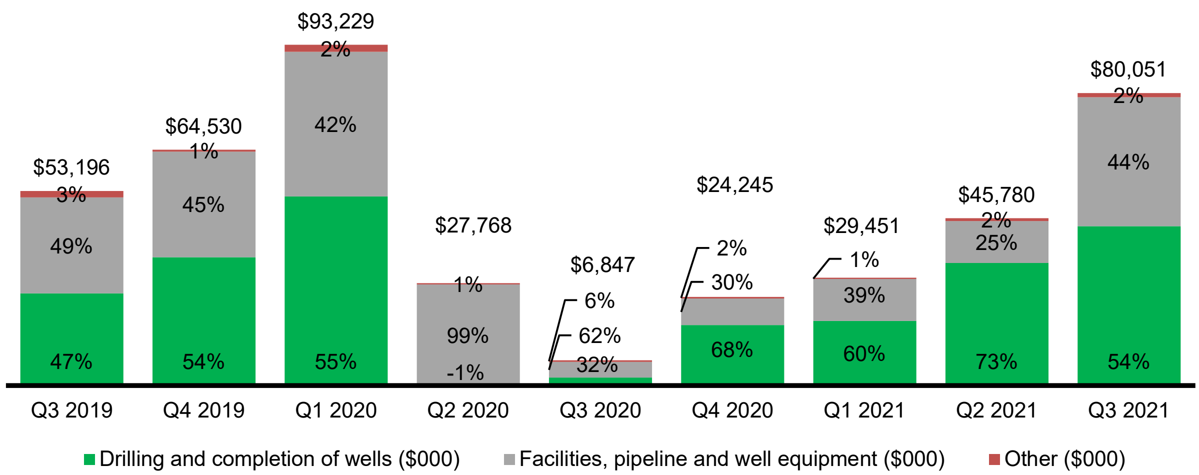
Kelt reported net income of $61.3 million ($0.32 per common share, diluted) for the nine months ended September 30, 2021, compared to a net loss of $350.8 million ($1.87 per common share, diluted) in the same period of 2020. The increase in profit is primarily due to a $45.2 million increase in adjusted funds from operations and a before-tax impairment reversal of $70.1 million ($54.0 million after-tax) compared to an impairment loss of $336.5 million ($278.0 million after-tax) in the comparative period in 2020.

INVESTING ACTIVITIES

CAPITAL EXPENDITURES

The Company’s capital expenditures, including acquisitions and dispositions (“A&D”), are summarized in the following table:

Capital Expenditures before A&D ($000)



	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Capital expenditures:						
Lease acquisition and retention	**590**	419	41	**1,313**	1,144	15
Geological and geophysical	**2**	-	-	**41**	1,507	-97
Drilling and completion of wells	**43,572**	2,183	1896	**94,755**	53,707	76
Facilities, pipeline and well equipment	**35,262**	4,224	735	**58,159**	71,397	-19
Corporate assets	**625**	21	2876	**1,014**	89	1039
Capital expenditures, before A&D	**80,051**	6,847	1069	**155,282**	127,844	21
Property acquisitions	**200**	2,000	-90	**216**	2,016	-89
Property dispositions	**(9,089)**	(506,168)	-98	**(9,105)**	(508,287)	-98
Capital expenditures, net of dispositions	**71,162**	(497,321)	114	**146,393**	(378,427)	139

In 2020, drilling operations were suspended in the second and third quarter due to the uncertainty in commodity prices during the onset of the COVID-19 pandemic. As commodity prices recovered in 2021, Kelt utilized its strong financial position to resume its capital expenditure program in each of its operating divisions.

In the third quarter of 2021, drilling and completion costs of $43.6 million included the drilling of 5.0 net wells and completion of 11.0 net wells. Kelt's facility, pipeline and well equipment spending in the third quarter of 2021 of $35.3 million related primarily to the construction of an oil battery and gas compression facility and related pipelines at Oak.

At September 30, 2021 the Company has ten drilled and completed wells at Oak, which are expected to be brought on-production after the facility is completed in the fourth quarter of 2021. In addition to these Oak wells, Kelt has three wells in Alberta that it plans to bring on-production in the fourth quarter of 2021.

DRILLING

	Three months ended September 30			Nine months ended September 30		
Net wells	**2021**	2020	%	**2021**	2020	**%**
Drilling	**5.0**	-	-	**18.0**	9.0	100
Completion	**11.0**	-	-	**20.0**	7.0	186

CAPITAL RESOURCES AND LIQUIDITY

Kelt's objective is to maintain a flexible capital structure that provides sufficient liquidity for the Company to meet its obligations when due and to execute on its capital investment program. The Company manages its capital structure in response to changes in economic conditions and the risk characteristics of its underlying oil and natural gas assets.

As a result of the COVID-19 pandemic, global economic markets have been volatile and crude oil demand remains below pre-pandemic levels. The length and severity of the impacts of COVID-19 on crude oil demand and pricing is currently uncertain. Management believes that the long-term viability of the oil and gas industry remains intact and commodity prices have improved following the initial response to COVID-19 and the related economic restrictions imposed in many countries.

As of September 30, 2021 the Company had a $20.0 million demand revolving credit facility ("the Credit Facility") with a Canadian chartered bank. Currently the primary purpose of the Credit Facility is to hold the Company's letters of credit, and to allow the use of hedging activities. Repayments of principal are not required provided that the borrowings under the facility do not exceed the authorized borrowing amount and the Company is in compliance with all covenants, representations and warranties.

There are no financial covenants under the Credit Facility and Kelt is in compliance with all other covenants. Covenants include industry standard positive and negative covenants including reporting requirements, permitted indebtedness, permitted risk management activities, permitted encumbrances and other standard business operating covenants. Security is provided for by a demand debenture with a floating charge over all assets in the amount of $100.0 million.

	September 30, 2021	December 31, 2020
Bank debt	**-**	-
Accounts payable and accrued liabilities	**75,535**	36,565
Cash and cash equivalents,	**(21,976)**	(31,570)
Accounts receivable and accrued sales	**(23,724)**	(20,954)
Prepaid expenses and deposits	**(1,661)**	(11,696)
Net debt (surplus) (1)	**28,174**	(27,655)
Annualized quarterly adjusted funds from operations (1)(2)	**145,344**	43,032
Net debt (surplus) to annualized quarterly adjusted funds from operations ratio (1)	**0.2**	(0.6)

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

(2) Adjusted funds from operations are annualized based on the most recent quarter's adjusted funds from operations.

Subsequent to the third quarter of 2021, the Company and its lenders entered into a New Credit Facility. The New Credit Facility includes a $20.0 million demand operating loan facility and a $80.0 million revolving term facility. The New Credit Facility may be extended annually at Kelt's option, subject to lender approval, with a 364 day term-out period if not renewed. Security is provided for by a demand debenture with a floating charge over all assets in the amount of $800.0 million. The Company expects that cash provided by (used in) operating activities and the existing credit facility will provide sufficient liquidity to fund the remainder of its 2021, and its 2022 budgeted capital expenditures.

The Company monitors its capital structure and short-term financing requirements using a net debt (surplus) to annualized quarterly adjusted funds from operations ratio, which is a non-GAAP financial measure. Kelt targets a net debt (surplus) to annualized quarterly adjusted funds from operations ratio of less than 2.0 times.

The Company may adjust its future capital structure and capital expenditures according to market conditions to maintain flexibility to achieve its objectives. To adjust its capital structure, the Company may increase or decrease capital expenditures including acquisitions and dispositions, issue new shares, issue new debt or repay existing debt.

SHARE INFORMATION

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at September 30, 2021 there were 189.1 million common shares issued and outstanding; there are no preferred shares issued or outstanding.

The Company's common shares trade on the TSX under the symbol "KEL". During the third quarter of 2021, 27.8 million common shares traded on the TSX at a weighted average price of $3.59 per common share, compared to a volume weighted average trading price of $1.81 per common share during the year ended December 31, 2020.

As at September 30, 2021, officers, directors, and employees have been granted options to purchase 10.6 million common shares of the Company at an average exercise price of $3.53 per common share. In addition, there are 0.8 million RSUs outstanding. Additional information regarding the Company's stock options and RSUs is included in note 10 of the interim financial statements.

COMMITMENTS

As of September 30, 2021, the Company is committed to future payments under the following agreements:

	2021	2022	2023	2024	2025	Thereafter
Firm processing commitments	3,826	16,296	17,032	17,407	15,388	59,905
Firm transportation commitments (1)	6,030	24,466	22,892	20,473	17,777	38,377
Total commitments	**9,856**	**40,762**	**39,924**	**37,880**	**33,165**	**98,282**

(1) A portion of Kelt's commitments on the Alliance pipeline is denominated in US dollars. The volumes committed vary over the term of the contract, which is effective until October 31, 2023, respectively. Amounts are translated to Canadian dollars at the spot rate on September 29, 2021 of CA$/US$1.2741.

OFF-BALANCE SHEET TRANSACTIONS

The Company did not engage in any off-balance sheet transactions during the periods ended September 30, 2021 and 2020.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize the Company's financial and operating results over the past eight quarters:

(CA$ thousands, except as otherwise indicated)	**Q3 2021**	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Petroleum and natural gas sales	**75,761**	60,644	59,835	41,961	48,823	45,454	70,918	97,763
Cash provided by (used in) operating activities	**46,547**	34,529	26,582	3,288	(8,610)	14,429	50,172	35,396
Adjusted funds from operations [1]	**36,336**	29,452	27,451	10,758	9,002	11,712	27,360	46,655
Per share – basic ($/common share) [1]	**0.19**	0.16	0.15	0.06	0.05	0.06	0.15	0.25
Per share – diluted ($/common share) [1]	**0.19**	0.15	0.14	0.06	0.05	0.06	0.15	0.25
Net income (loss) and comprehensive income (loss)	**3,752**	54,654	2,854	26,018	(24,080)	(252,661)	(74,085)	(2,628)
Per share – basic ($/common share)	**0.02**	0.29	0.02	0.14	(0.13)	(1.35)	(0.39)	(0.01)
Per share – diluted ($/common share)	**0.02**	0.29	0.02	0.14	(0.13)	(1.35)	(0.39)	(0.01)
Capital expenditures, net of dispositions	**71,162**	45,786	29,446	24,470	(497,321)	27,768	91,126	63,983
Total assets	**872,212**	842,454	775,033	759,987	824,751	1,295,965	1,608,870	1,605,465
Net debt (surplus) [1]	**28,174**	(6,696)	(24,303)	(27,655)	(132,263)	373,513	356,393	320,509
Convertible debentures	**-**	-	-	-	89,910	85,181	83,957	82,789
Shareholders' equity	**668,561**	663,284	607,285	603,684	576,862	599,399	850,486	923,062
Average daily production (BOE/d)	**19,621**	19,592	18,860	16,476	22,443	30,366	30,806	31,262
Combined net realized price ($/BOE) [1][2]	**38.33**	31.49	33.07	23.90	19.31	20.67	26.65	32.53
Operating netback ($/BOE) [1]	**21.10**	17.68	17.67	8.40	7.02	6.56	11.28	18.65
Operating netback % of combined net realized price [2]	**55%**	56%	53%	35%	36%	32%	42%	57%

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

(2) In this table, net realized prices are after financial instruments.

In March 2020, the WHO declared the COVID-19 a pandemic with governments around the world imposing significant public health measures in order to reduce its spread. The COVID-19 pandemic created an unprecedented global crude oil demand reduction for 2020, resulting in a significant decrease in 2020 benchmark crude oil prices as well as forecasted future crude oil prices. This resulted in lower petroleum and natural gas sales revenue in 2020, which in turn reduced adjusted funds from operations and earnings.

Crude oil prices reached a bottom in the second quarter of 2020, with unprecedented negative WTI benchmark prices occurring in April 2020. However positive vaccine development and rollout, along with significant production curtailments from OPEC+ and non-OPEC nations, resulted in a significant re-bound in crude oil prices at the end of 2020 and into 2021. Throughout 2021, benchmark global crude oil prices steadily increased due to increasing global demand, OPEC+ production curtailments, and on-going low levels of capital investment in both OPEC+ non-OPEC nations.

On August 21, 2020, Kelt completed the Inga Asset Disposition for consideration of $503.9 million after closing adjustments. This resulted in a reduction of Kelt's production and total assets subsequent to the transaction, along with a full repayment of the Company's outstanding bank debt and the redemption of all outstanding convertible debentures.

Benchmark natural gas prices in the US declined in the first half of 2020 with higher than average North American natural gas inventory levels and demand concerns relating to the COVID-19 pandemic. Offsetting the downward pressure in natural gas benchmark prices was a decrease in North American natural gas supply in 2020 due to a reduction of drilling activity in the North American basins. In 2021, benchmark North American natural gas prices increased due to a colder than average start of 2021, record LNG exports in 2021, and slightly below average storage levels heading into the winter months.

Refer to the *"Financial and Operating Summary"* section of this MD&A for further discussion. Additional information relating to Kelt, including the Company's MD&A for previous quarters, is filed on SEDAR and can be viewed at www.sedar.com.

OUTLOOK AND GUIDANCE

As of the date of this MD&A, management has updated its 2021 guidance from August 5, 2021 to incorporate revised commodity price assumptions and third quarter results.

(CA$ millions, except as otherwise indicated)	**Current 2021 Budget**	**Previous 2021 Guidance (August 5, 2021)**	**% Change to Current 2021 Budget**
Average Production			
Oil and NGLs (bbls/d)	**8,000**	8,000	-
Gas (mmcf/d)	**81.0**	81.0	-
Combined (BOE/d)	**21,500**	21,500	-
Forecasted Average Commodity Prices			
WTI oil price (US$/bbl)	**68.05**	63.50	7
Canadian Light Sweet ($/bbl)	**79.75**	73.51	8
NYMEX natural gas price (US$/MMBTU)	**3.54**	3.25	9
AECO natural gas price (US$/MMBTU)	**2.85**	2.85	-
Average Exchange Rate (US$/CA$)	**0.8017**	0.802	-
Petroleum and natural gas sales	**313.7**	289.7	8
Adjusted funds from operations (1)	**158.0**	145.0	9
Per common share, diluted (1)	**0.83**	0.76	9
Capital Expenditures	**190.0 – 200.0**	175.0	9 – 14
Net debt, at year end (1)	**7.6 – 17.6**	9.0	NA
Weighted average common shares outstanding (millions) (1)	**189.1**	188.6	-

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators

Forecasted average production in 2021 remains at 21,500 BOE per day weighted 37% to oil/NGLs and 63% to gas, consistent with the previous guidance.

WTI crude oil prices are forecasted to average US$68.05 per barrel, up 7% from the average forecasted price of US$63.50 per barrel in the Company's previous guidance. Forecasted NYMEX natural gas prices have been revised upwards by 9% to average US$3.54 per mmbtu. After giving effect to the changes in commodity price assumptions, funds from operations for 2021 was revised up by 9% to $158.0 million.

Net capital expenditures at December 31, 2021 is estimated to be $190.0 million to $200.0 million, an increase of $15.0 million to $25.0 million, from $175.0 million in the previous guidance. Net debt at December 31, 2021 is estimated to be $7.6 million to $17.6 million, an increase of $8.6 million to a decrease of $1.4 million from $9.0 million in the previous guidance.

2022 BUDGET

The Company's Board of Directors has approved a capital expenditure budget of $200.0 million to $210.0 million for 2022. Kelt expects to drill 22 gross wells (20.8 net wells), and complete 26 gross wells (24.5 net wells).

Forecasted average production for 2022 is estimated to be approximately 30,000 BOE per day, representing an estimated 40% growth from 2021. Kelt's forecasted 2022 production will be weighted approximately 38% to oil and NGLs and 62% to natural gas.

WTI crude oil prices are forecasted to average US$72.00 per barrel in 2022, and Canadian Light Sweet is forecasted to average $83.13 per barrel in 2022, an increase of 6% and 4% respectively over the forecasted 2021 prices. Natural gas prices are forecast to average US$3.06 per mmbtu for AECO and US$4.10 per mmbtu for NYMEX in 2021, an increase of 7% and 16% respectively over the forecasted 2021 prices.

The Company is forecasting 2022 adjusted funds from operations of $245.0 million ($1.28 per common share, diluted), an increase of 55%, over 2021 guidance. Kelt estimates a net debt surplus of $23.8 million at the end of December 31, 2022.

The table below outlines the Company's forecast assumptions and financial and operating results for 2022 with a comparison to the latest guidance for 2021:

(CA$ millions, except as otherwise indicated)	**2022 Budget**	**2021 Guidance**	**% Change**
Average Production			
Oil and NGLs (bbls/d)	**11,500**	**8,000**	44
Gas (mmcf/d)	**111.0**	**81.0**	37
Combined (BOE/d)	**30,000**	**21,500**	40
Forecasted Average Commodity Prices			
WTI oil price (US$/bbl)	**72.00**	**68.05**	6
Canadian Light Sweet ($/bbl)	**83.13**	**79.75**	4
NYMEX natural gas price (US$/MMBTU)	**4.10**	**3.54**	16
AECO natural gas price (US$/MMBTU)	**3.06**	**2.85**	7
Average Exchange Rate (US$/CA$)	**0.8150**	**0.8017**	2
Capital Expenditures			
Drilling & Completions	**125 – 130**	**120 – 125**	4
Equipment, Facilities & Pipeline Infrastructure	**60 – 65**	**75 – 80**	(19)
Land, Seismic & Asset Acquisitions, net of Property Dispositions	**15**	**(5)**	(400)
Total Capital Expenditures	**200 – 210**	**190 – 200**	5
Petroleum and natural gas sales	**444.7**	**313.7**	42
Adjusted funds from operations (1)	**245.0**	**158.0**	55
Per common share, diluted (1)	**1.28**	**0.83**	54
Net debt (surplus), at year end (1)	**(23.8)**	**7.6 – 17.6**	NA
Weighted average common shares outstanding (millions) (1)	**189.2**	**189.1**	-

(1) Refer to advisories regarding non-GAAP financial measures and other key performance indicators.

The Company will retain the flexibility to either increase or decrease capital spending plans accordingly.

A 10% increase/decrease in the Company's forecasted average oil/NGLs price for 2022 would increase/decrease forecasted adjusted funds from operations by approximately $19.5 million. A 10% increase/decrease in the Company's average gas price forecasted for 2022 would increase/decrease adjusted funds from operations by approximately $14.7 million.

SIGNIFICANT JUDGMENTS AND ESTIMATES

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. Significant judgments, estimates and assumptions made by management in these financial statements are outlined in note 3 of the December 31, 2020 consolidated annual financial statements.

These estimates require assumptions for future commodity prices, exchange rates, interest rates, future oil and natural gas production, and other economic issues that have a high degree of uncertainty. As the understanding of the longer-term impacts of COVID-19 on commodity, credit and equity markets develops, so will the assumptions for the valuation of Kelt's exploration and evaluation assets, the valuation of its cash generating units, the timing around its decommissioning obligations, the fair value of its investments in securities, the Company's calculated expected credit loss provision and the general collectability of its accounts receivables, and its liquidity and going concern assessment.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures as defined in National Instrument 52-109 of the Canadian Securities Administrators, to provide reasonable assurance that: (i) material information relating to the Company is made known to the CEO and the CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and the CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting as defined in National Instrument 52-109 of the Canadian Securities Administrators, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes to the Company's internal controls over financial reporting during the interim period from July 1, 2021 to September 30, 2021 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Due to its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation relating to the effectiveness in future periods are subject to the risk that controls may become inadequate as a result of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

NON-GAAP FINANCIAL MEASURES AND OTHER KEY PERFORMANCE INDICATORS

This MD&A contains certain financial measures, as described below, which do not have standardized meanings prescribed by GAAP. In addition, this MD&A contains other key performance indicators ("KPI"), financial and non-financial, that do not have standardized meanings under the applicable securities legislation. As these non-GAAP financial measures and KPI 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

"Operating income" is 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 associated financial instruments. The Company refers to operating income expressed per unit of production as an "operating netback".

"Adjusted funds from operations" is calculated as cash provided by (used in) operating activities before changes in non-cash operating working capital, and adding back (if applicable): transaction costs associated with acquisitions and dispositions, and settlement of decommissioning obligations. Adjusted funds from operations per common share is calculated on a consistent basis with net income (loss) per common share, using basic and diluted weighted average common shares as determined in accordance with GAAP.

Adjusted funds from operations, annualized quarterly adjusted funds from operations and operating income or netbacks are non-GAAP measures used by management to measure operating performance. Adjusted funds from operations, annualized quarterly adjusted funds from operations, and operating income or netbacks are non-GAAP measures used by management as a key measure to assess the ability of the Company to fund operating activities, capital expenditures and the repayment of debt however; it is not intended to be viewed as an alternative to cash provided by (used in) operating activities, net income (loss) or other measures of financial performance calculated in accordance with GAAP. The following table reconciles cash provided by (used in) operating activities reported in accordance with GAAP to *Adjusted funds from operations:*

	Three months ended September 30			Nine months ended September 30		
(CA$ thousands, except as otherwise indicated)	**2021**	2020	%	**2021**	2020	%
Cash provided by (used in) operating activities	**46,547**	(8,610)	641	**107,658**	55,991	92
Change in non-cash working capital	**(10,412)**	17,191	-161	**(16,961)**	(9,012)	88
Funds from operations	**36,135**	8,581	321	**90,697**	46,979	93
Settlement of decommissioning obligations	**201**	421	-52	**2,542**	1,095	132
Adjusted funds from operations	**36,336**	9,002	304	**93,239**	48,074	94

Throughout this MD&A, reference is made to "P&NG sales", "P&NG sales before marketing revenue", "P&NG sales after cost of purchases", and "net realized prices". P&NG sales is as reported in the consolidated financial statements in accordance with GAAP, and is before realized gains or losses on financial instruments. P&NG sales before marketing revenue includes P&NG sales (in accordance with GAAP) prior to third party revenue and volumes related to the Company's oil blending and third-party natural gas purchases and relates sales. P&NG sales after cost of purchases includes P&NG sales (in accordance with GAAP), net of the cost of third-party volumes purchases.

"Net realized price" is a non-GAAP measure and is calculated by deducting the cost of purchases from petroleum and natural gas sales (before royalties) divided by production and reflect the Company's realized selling prices plus the net benefit of oil blending/marketing activities. In addition to using its own production, the Company may purchase butane and crude oil from fourth 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 total petroleum and natural gas sales as reported in the Consolidated Statement of Net Income (Loss) and Comprehensive Income (Loss) in accordance with GAAP. Given the Company's per unit operating statistics disclosed throughout this MD&A are calculated based on Kelt's production volumes, management believes that disclosing its net realized prices based on petroleum and natural gas 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.

"Net realized prices" referenced throughout this MD&A are before financial instruments, except as otherwise indicated as being after financial instruments.

"Net debt (surplus)" 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 previously disclosed a "Net bank debt (surplus)" for its non-GAAP measure which was used to understand the Company's liquidity risk. In the third quarter of 2021, the Company replaced its "Net bank debt (surplus)" non-GAAP measure with a "Net debt (surplus)" non-GAAP measure. "Net bank debt (surplus)" was equal to bank debt, plus current liabilities, less current assets. The Company believes that using a "Net debt (surplus)" 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.

The Company uses a "net debt (surplus) to annualized quarterly adjusted funds from operations ratio" and as a benchmark on which management monitors the Company's capital structure and short-term financing requirements. Management believes that this ratio, as well as the Company's "net debt (surplus)", provides investors with information to understand the Company's liquidity risk. The "net debt (surplus) to annualized quarterly adjusted funds from operations ratio" is also indicative of the "net debt (surplus) to cash flow" 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).

Other KPI

"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.

BUSINESS RISKS

The business of exploration, development, production and acquisition of oil and gas reserves involves a number of uncertainties. As a result, the Company is exposed to certain business risks inherent in the oil and gas industry which may impact the Company's operations or financial results. A discussion of business risks, as well as economic and industry factors affecting the Company is included in Kelt's annual MD&A for the year ended December 31, 2020, dated March 11, 2021.

Kelt is monitoring the impact of the recent Supreme Court of British Columbia judgement (the "Judgment") with respect to a claim brought forth by the Blueberry River First Nation ("Blueberry") against the province of British Columbia regarding the cumulative impact of industrial development within the Blueberry treaty claim area. The Judgement found that the Province of British Columbia breached the Treaty 8 rights of the Blueberry by allowing extensive industrial development on the Blueberry's traditional territory without first assessing the cumulative impacts of this development on the ability of the members of the Blueberry to exercise their Treaty 8 rights to hunt, fish, and trap on their traditional territory. The Judgement calls for the province of British Columbia to pause some development in the Blueberry traditional area pending the results of an investigation into the cumulative impacts of industrial development in the Blueberry's traditional territory. The Judgement gives six months for the Government of British Columbia and the Blueberry to negotiate changes to the regulatory regime that recognizes and respects treaty rights.

On October 7, 2021 the Government of British Columbia and the Blueberry announced they reached a first step in the initial agreement in developing land management processes on the Blueberry traditional territory. As part of this agreement, a number of forestry and oil and gas projects, which were permitted or authorized prior to the Judgment, would continue to proceed. The announcement also states that the Province of British Columbia and the Blueberry are working to finalize an interim approach for reviewing new natural resource activities that balance Treaty 8 rights, the economy and the environment.

The Company does not currently expect that there will be an impact to Kelt's 2021 guidance as a result of this Judgment. However any future delays in obtaining permits in the province of British Columbia in 2022, may result in a re-allocation of capital expenditures from the province of British Columbia to Alberta.

On October 7, 2021 the Province of British Columbia announced it was launching a comprehensive review of its royalty system. Any future changes to the British Columbia royalty system may have an impact on the Company's future cash flows.

Additional information is included in Kelt's Annual Information Form dated March 10, 2021 which can be found at www.sedar.com

BUSINESS OUTLOOK

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

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 2021 and calendar year 2022. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

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 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.

This MD&A 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", "potentially" and similar expressions are intended to identify forward-looking information or statements. In particular, this MD&A contains forward-looking statements pertaining to the following: Kelt's expected price realizations and future commodity prices; the cost and timing of future capital expenditures and expected results; the Company's ability to continue accumulating land at a low-cost in its core operating areas and potentially monetize non-core assets; the expected timing of well drills and completions; the expected timing of wells bring brought on-production; the expected timing of facility expenditures; the expected timing of facility start-up dates; the expected timing of production additions from capital expenditures; estimates for inflation; and the Company's expected future financial position and operating results. Statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. Actual reserves may be greater than or less than the estimates provided herein.

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, 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; 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.

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.

ADDITIONAL INFORMATION

Additional information relating to Kelt, including the Company's Annual Information Form ("AIF") dated March 10, 2021 is filed on SEDAR and can be viewed on their website at www.sedar.com. Copies of the AIF can also be obtained by contacting Sadiq H. Lalani, Vice President and Chief Financial Officer at Kelt Exploration Ltd., Suite 300, 311 Sixth Avenue SW, Calgary, Alberta, Canada, T2P 3H2. Further information relating to Kelt is also available on its website at www.keltexploration.com.

ABBREVIATIONS

bbls	barrels
mbbls	thousand barrels
bbls/d	barrels per day
BOE	barrels of oil equivalent
mBOE	thousand barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
mcf	thousand cubic feet
mmcf	million cubic feet
bcf	billion cubic feet
mmcf/d	million cubic feet per day
MMBtu	million British Thermal Units
GJ	gigajoules
AECO	Alberta Energy Company “C” Meter Station of the NOVA Pipeline System
NIT	NOVA Inventory Transfer (“AB-NIT”), being the reference price at the AECO Hub
WTI	West Texas Intermediate
MSW	Mixed Sweet Blend Edmonton
NYMEX	New York Mercantile Exchange
Station 2	Spectra Energy receipt location
NGX	Natural Gas Exchange Inc. (Canada)
API	American Petroleum Institute
MD&A	Management’s Discussion and Analysis
Q1	First quarter ended March 31st
Q2	Second quarter ended June 30th
Q3	Third quarter ended September 30th
Q4	Fourth quarter ended December 31st
YTD	Year to date
BT	Before income taxes
AT	After income taxes
1P	Proved reserves
2P	Proved plus probable reserves

CONVERSION OF UNITS

Imperial = Metric

1 acre = 0.4 hectares

2.5 acres = 1 hectare

1 bbl = 0.159 cubic metres

6.29 bbls = 1 cubic metre

1 foot = 0.3048 metres

3.281 feet = 1 metre

1 mcf = 28.2 cubic metres

0.035 mcf = 1 cubic metre

1 mile = 1.61 kilometres

0.62 miles = 1 kilometre

1 MMBtu = 1.054 GJ

0.949 MMBtu = 1 GJ

Natural gas is equated to oil on the basis of 6 mcf = 1 BOE

Sulphur is equated to gas on the basis of 1LT = 10 mcf (1 BOE = 0.6 LT)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Geri L. Greenall [2, 3, 6, 7]
Independent

William C. Guinan [1, 5]
Independent

Michael R. Shea [3, 4, 6]
Independent

Neil G. Sinclair [2, 4, 5, 6]
Independent

Janet E. Vellutini [2, 3, 4]
Independent

David J. Wilson [5]
President & Chief Executive Officer,
Kelt Exploration Ltd..

1 board chair
2 member, audit committee
3 member, reserves committee
4 member, compensation committee
5 member, health, safety and environment committee
6 member, nominating committee
7 lead director

HEAD OFFICE

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REGISTRAR AND TRANSFER AGENT

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LEGAL COUNSEL

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Calgary, Alberta T2P 0R3

OFFICERS

David J. Wilson
President & Chief Executive Officer

Sadiq H. Lalani
Vice President & Chief Financial Officer

Douglas J. Errico
Senior Vice President, Land and Corporate Development

Alan G. Franks
Vice President, Production

Bruce D. Gigg
Vice President, Engineering

David A. Gillis
Vice President, Finance

Douglas O. MacArthur
Vice President, Operations

Patrick W.G. Miles
Vice President, Exploration

Carol Van Brunschot
Vice President, Marketing

Louise K. Lee
Corporate Secretary

AUDITORS

PricewaterhouseCoopers LLP
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Calgary, Alberta T2P 5L3

EVALUATION ENGINEERS

Sproule Associates Limited
Suite 900, 140 Fourth Avenue S.W.
Calgary, Alberta T2P 3N3

STOCK EXCHANGE LISTING

Toronto Stock Exchange
Common shares “KEL”

kelt exploration

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CALGARY, ALBERTA T2P 3H2