KELT EXPLORATION LTD.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON

APRIL 22, 2015

MANAGEMENT INFORMATION CIRCULAR

March 11, 2015

KELT EXPLORATION LTD.

Suite 300, 311 – 6th Avenue SW
Calgary, Alberta
T2P 3H2

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual meeting (the "**Meeting**") of holders of common shares ("**Common Shares**") of Kelt Exploration Ltd. (the "**Corporation**") will be held in the Strand/Tivoli Room of the Metropolitan Conference Centre, 333 – 4th Avenue S.W., Calgary, Alberta on Wednesday, April 22, 2015 at 3:00 p.m. (Calgary time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2014 and the report of the auditors thereon;

2. to fix the number of directors to be elected at the Meeting at five (5);

3. to elect the board of directors of the Corporation for the ensuing year;

4. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year, at a remuneration to be fixed by the board of directors; and

5. to transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. Only shareholders of record at the close of business on March 10, 2015 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat.

DATED at the City of Calgary, in the Province of Alberta this 11th day of March, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

"*David J. Wilson*"

David J. Wilson
President and Chief Executive Officer

IMPORTANT

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. In accordance with the by-laws of the Corporation, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Valiant Trust Company, Suite 310, 606 – 4th Street SW, Calgary, Alberta, T2P 1T1, no later than 3:00 p.m. (Calgary time) on April 20, 2015, or not less than 48 hours (excluding Saturdays and holidays) preceding any adjournment of the Meeting. Registered shareholders may also use the internet site at https://proxy.valianttrust.com to transmit their voting instructions.

KELT EXPLORATION LTD.

MANAGEMENT INFORMATION CIRCULAR
ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 22, 2015

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Kelt Exploration Ltd. ("**Kelt**" or the "**Corporation**") for use at the annual meeting of the holders of common shares (the "**Common Shares**") of the Corporation in the Strand/Tivoli Room of the Metropolitan Conference Centre, 333 – 4th Avenue S.W., Calgary, Alberta on the 22nd day of April, 2015 at 3:00 p.m. (Calgary time) (the "**Meeting**"), or at any adjournment thereof, for the purposes set forth in the Notice of Meeting. The information contained herein is given as of the 11th day of March, 2015 except where otherwise indicated. There is enclosed herewith an Instrument of Proxy for use at the Meeting, together with a copy of the Corporation's audited financial statements for the financial year ended December 31, 2014, to be presented at the Meeting. Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the Instrument of Proxy and this Management Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication by directors, officers and employees of the Corporation who will not be directly compensated therefor. Any third party costs thereof will be borne by the Corporation.

In accordance with National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. However, the Corporation does not intend to pay for an intermediary to deliver solicitation materials to objecting beneficial owners (as described in NI 54-101), including this Management Information Circular, and objecting beneficial owners will not receive such materials unless their intermediary assumes the costs of delivery.

APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Valiant Trust Company ("**Valiant**") at Suite 310, 606 – 4th Street SW, Calgary, Alberta T2P 1T1, by no later than 3:00 p.m. (Calgary time) on April 20, 2015 or not less than 48 hours (excluding Saturdays and holidays) preceding any adjournment of the Meeting. A proxy must be executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. Registered shareholders may also use the internet site at https://proxy.valianttrust.com to transmit their voting instructions. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

Each shareholder submitting a proxy has the right to appoint a person to represent him or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with Valiant at the place and within the time specified above for the deposit of proxies.

An instrument of proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person by depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or its attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with Valiant at the place specified above for the deposit of proxies and at any time up to and including the last business day preceding the Meeting, or any adjournment thereof.

NOTICE-AND-ACCESS

The Canadian Securities Administrators have adopted amendments to NI 54-101, which allow for the use of the "notice-and-access" regime for the delivery of meeting materials.

Under the notice-and-access regime, reporting issuers are permitted to deliver the meeting materials by posting them on SEDAR as well as a website other than SEDAR and sending a notice package to each shareholder receiving the meeting materials under this regime. The notice package must include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the meeting materials; and (iv) a plain-language explanation of how the notice-and-access system operates and how the meeting materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send this notice package to shareholders electronically. This notice package must be mailed to shareholders from whom consent to electronic delivery has not been received.

The Corporation has elected to send its meeting materials to Beneficial Shareholders (as defined herein) using the notice-and-access regime. Accordingly, the Corporation will send the above-mentioned notice package to Beneficial Shareholders which includes instructions on how to access the Corporation's meeting materials online and how to request a paper copy of these materials. Distribution of the Corporation's meeting materials pursuant to the notice-and-access regime has the potential to substantially reduce printing and mailing costs.

Notwithstanding the notice-and-access regime, the *Business Corporations Act* (Alberta) ("**ABCA**") requires the Corporation to deliver a paper copy of the meeting materials to a registered shareholder unless such shareholder provides written consent to electronic delivery. In order to ensure compliance with the ABCA, registered shareholders will be mailed a copy of the meeting materials this year, together with a mail card soliciting a registered shareholders consent to electronic delivery in future years.

EXERCISE OF DISCRETION

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder. **The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their best judgment unless the shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Management Information Circular, management of the Corporation is not aware of any such amendment, variation or other matter.**

Unless otherwise specified, proxies in the accompanying form will be voted: (i) in favour of fixing the number of directors to be elected at the Meeting at five (5); (ii) in favour of the individual election of the nominees, hereinafter set forth, as directors of the Corporation (provided that in the event that a

nominee is unable to serve as a director, the persons designated in the accompanying form of proxy reserve the right to vote for other nominees in their discretion unless the shareholder has specified in the accompanying form that such shareholder's Common Shares are to be withheld from voting on the election of directors); and (iii) in favour of the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominee for many Canadian brokerage firms). Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance**.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker**.

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. All references to shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at March 11, 2015, the Corporation had 130,234,075 Common Shares outstanding. Each Common Share confers upon the holder thereof the right to one vote. The close of business on March 10, 2015 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the "**Record Date**"). Only those shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of Valiant not later than 10 days before the Meeting that his name be included in the list of persons entitled to attend and vote at the Meeting.

Two or more holders of 5% of the Common Shares present in person or represented by proxy constitutes a quorum for the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the outstanding Common Shares as at the date of this Management Information Circular, other than as set forth below.

Name of Shareholder and Municipality of Residence	Number of Common Shares Owned, Controlled or Directed[(1)]	Percentage of Outstanding Common Shares
Cambridge Global Asset Management Toronto, Ontario	18,651,500	14.32%

Note:
(1) The information set forth in the above table is based on publicly available information.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

The Compensation Committee of the board of directors of the Corporation (the "**Board**") makes recommendations to the Board regarding compensation to be provided to the executive officers and directors of the Corporation and, in doing so, receives input from the President and the Chief Executive Officer of the Corporation (the "**CEO**") in respect of all executive officers other than the CEO. Compensation of all executive officers, including the CEO, is based on the underlying philosophy that such compensation should be competitive with other corporations of similar size and should be reflective of the experience, performance and contribution of the individuals involved and the overall performance of the Corporation.

The Corporation's executive compensation program is available to the "Named Executive Officers" of the Corporation which is defined by applicable securities legislation to mean each of the following individuals, namely: (i) the CEO; (ii) the Chief Financial Officer of the Corporation (the "**CFO**"); (iii) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year. In this Management Information Circular executive compensation information is provided for the CEO, the CFO as well as for the other four executive officers of the Corporation (collectively, the "**Named Executive Officers**").

Objectives of the Executive Compensation Program

The objectives of the Corporation's executive compensation program are twofold, namely: (i) to enable the Corporation to attract and retain highly qualified and experienced individuals to serve as executive officers; and (ii) to align the compensation levels available to the Named Executive Officers to the successful implementation of the Corporation's strategic plans. The Corporation's executive compensation program is designed to reward the Named Executive Officers where they have contributed to the prosperity and growth of the Corporation.

Elements of the Executive Compensation Program

The Corporation's executive compensation program consists of a combination of the following significant elements: (i) base salary; and (ii) participation in the Stock Option Plan (as hereinafter defined), participation in the RSU Plan (as hereinafter defined) and participation in the Employee Stock Savings Plan (as hereinafter defined). The Compensation Committee and the Board have considered, but have not yet implemented a formal bonus plan. The Compensation Committee and the Board may, from time to time, in their discretion, approve bonus payments to reward employees, including the Named Executive Officers. These elements contain both short-term incentives, comprised of cash payments provided by way of base salaries, and the payment of bonuses as may be determined in the discretion of the Compensation Committee and the Board, as well as long-term incentives, comprised of equity-based incentives, being those provided under the Stock Option Plan, the RSU Plan and the Employee Stock Savings Plan. Extended health care, dental and insurance benefits and the right to participate in the Employee Stock Savings Plan are provided to all employees, including the Named Executive Officers. The process for determining perquisites and approval of benefits for the Named Executive Officers is, firstly, to implement perquisites and benefits which are comparable to those usually offered by other corporations of a similar size to the Corporation and secondly, to make those perquisites and benefits available to each Named Executive Officer, equally. The Corporation chooses to pay each element of its executive compensation program in order to maintain its competitive position in the marketplace. The amount for each element of the Corporation's executive compensation program is determined based upon compensation levels provided by the Corporation's competitors as well as upon the discretion of the Board, where applicable, as described below.

Each element of the Corporation's executive compensation program is intended to contribute to an overall total compensation package which is designed to provide both short-term and long-term financial incentives to the Named Executive Officers and to thereby assist the Corporation to successfully implement its strategic plans. The Compensation Committee will annually assesses how each element fits into the overall total compensation package and will make recommendations to the Board relating thereto from time to time.

Base Salaries

During the first two years of operations, commencing on February 27, 2013, the base salaries paid by the Corporation were set below the median levels paid by the Corporation's competitors and peers, as determined from commercially available salary survey data and information publicly disclosed by some of the Corporation's competitors and peers. Other than as set out immediately above, the base salaries of the Named Executive Officers are not determined based on benchmarks, performance goals or a specific formula.

Stock Option Plan

The stock option plan of the Corporation (the "**Stock Option Plan**") permits the granting of stock options ("**Options**") to the directors, officers, employees and other eligible service providers of Kelt and its subsidiaries for the purpose of providing directors, officers, employees and other eligible service providers with an incentive to achieve the longer-term objectives of Kelt; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Kelt; and to attract and retain in the employ of Kelt or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in Kelt.

The Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan and the RSU Plan, in aggregate, shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant of any Option. In addition, the Stock Option Plan provides that the maximum number of Common Shares issued pursuant to Options granted under the Stock Option Plan and under any other security based compensation arrangement issued to insiders, within any one year period or issuable to insiders, shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. The Stock Option Plan provides for the exercise price to be determined by the Board provided that the exercise price of the Options may not be less than the three day volume weighted average trading price per Common Share on the principal stock exchange on which the Common Shares are traded immediately preceding the date of grant.

Participation in the Stock Option Plan is voluntary. In order to constitute a valid Option under the Stock Option Plan, the participant and Kelt must enter into a valid option agreement in a form acceptable to the Board. Options granted under the Stock Option Plan will be for a term of no longer than 10 years after the date of grant. The interest of any optionee under the Stock Option Plan is not transferable or alienable by the optionee either by assignment or in any manner, during the optionee's lifetime. If any optionee ceases to be an eligible participant under the Stock Option Plan as a result of permanent physical or mental disability or death, then, the total number of Options not previously purchased by such optionee, whether or not the rights to purchase some or all of the Common Shares pursuant to those Options have previously vested, may be exercised for a period ending on the earlier of the expiry date of such Options and one year to the date the optionee ceases to be a participant due to such permanent physical or mental disability or death. If an optionee ceases to be a participant for reasons other than permanent physical or mental disability or death and is terminated without notice or entitlement to notice or compensation in lieu thereof, the optionee may exercise the Option, to the extent they have vested as of the date of ceasing to be a participant. If the optionee ceases to be a participant for any reasons other than as described above, the optionee may exercise the Option, to the extent they have vested, when reasonable notice has been given, on the date the optionee ceases to be a participant and when compensation is paid in lieu of notice, for 21 days after the date the optionee ceases to be a participant. In the event of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise or in the event of any other change in the Common Shares, the Board may proportionately adjust the number of Common Shares that may be issued under existing option agreements. In the event of a change of control, all unexercised and unvested outstanding Options shall immediately vest and be exercisable, but may only be purchased for tender to the subject transaction. If the subject transaction is not completed, any Common Shares issued and tendered to the transaction shall be deemed to be cancelled and returned to treasury.

An optionee may exercise the right (the "**Put Right**"), from time to time, to require Kelt to purchase all or any of its vested Options by delivery to Kelt of a written notice of exercise ("**Put Notice**"), specifying the number of Options with respect to which the Put Right is being exercised. Kelt will purchase from the optionee all of the Options specified in the Put Notice at a price (the "**Put Price**") equal to the excess of the closing price of the Common Shares on the principal stock exchange on which they are traded on the date of receipt of the Put Notice by Kelt (the "**Notice Date**") over the exercise price for each Option being purchased under the Put Right provided that the Put Notice is received by Kelt before 4:30 p.m. (Calgary time) on the Notice Date, or if the Put Notice is received by Kelt after 4:30 p.m. (Calgary time) on the Notice Date, the Put Price shall be the next date upon which the Common Shares trade on the principal stock exchange on which they are traded, or for such other amounts as may be agreed to by the optionee and Kelt. Upon the exercise of the Put Right, Kelt will cause to be delivered to the optionee a cheque representing the Put Price multiplied by the number of Options specified in the Put Notice (less any applicable withholding tax) within three business days of the Notice Date. Upon exercise of the Put Right and its acceptance by Kelt, the Options are deemed to be terminated and cancelled and shall cease to grant the optionee any further rights thereunder. Notwithstanding the foregoing, Kelt may, at its sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Put Right at any time and from time to time.

The Stock Option Plan provides for the extension of the expiry date of any Option which would otherwise expire during a "black-out period" imposed by Kelt upon certain designated persons during which those persons may not trade in any securities of Kelt, for 10 business days from the date that any "black-out period" ends. The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the shareholders, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Options granted under the Stock Option Plan, subject to any required approval of any regulatory authority or the Toronto Stock Exchange (the "**TSX**"). Disinterested shareholder approval will be required for any reduction in the exercise price or the expiry date of Options granted to insiders. The approval of the holders of Common Shares will be required for future amendments to the Stock Option Plan which amend the number of Common Shares issuable pursuant to Options issued thereunder, which add any form of financial assistance by Kelt for the exercise of an Option or which change the class of participants which may broaden or increase participation by insiders of Kelt.

For a description of the process used by the Corporation to grant Options, see the section herein entitled "*Executive Compensation – Share-Based and Option-Based Awards*". Other than as set out therein, the number of Options granted are not based on benchmarks, performance goals or a specific formula.

The RSU Plan

The restricted share unit plan of the Corporation (the "**RSU Plan**") is an incentive compensation plan established to retain and motivate directors, officers, employees and other eligible service providers of Kelt and its subsidiaries and to promote greater alignment of interest between service providers and holders of Common Shares. The RSU Plan provides directors, officers, employees and other eligible service providers with the opportunity to acquire Common Shares through an award of restricted share units ("**RSUs**"). Each RSU represents a right to receive one Common Share.

In accordance with the terms of the RSU Plan, the Board approves which service providers are entitled to participate in the RSU Plan and the terms of each award, including the number of RSUs to be awarded to each participant, the vesting provisions and term. No award will vest later than December 15 of the third year from the date of grant.

RSUs awarded to participants are credited to an account that is established on their behalf and maintained in accordance with the RSU Plan. Each RSU awarded conditionally entitles the participant to the delivery of one Common Share upon the RSU vesting provisions being satisfied. RSUs awarded to participants vest in accordance with terms determined by the Board from time to time, which terms may include timing criteria in which the RSUs vest over specified time intervals and/or performance criteria in which the number of Common Shares to be delivered to a participant in respect of each RSU awarded is dependent upon Kelt's performance and/or the market price of the Common Shares, as determined by the Board. In addition, a participant's account will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date, if any, in respect of which dividends are paid on Common Shares. RSUs are non-transferable. The Board may delegate its administrative authority under the RSU Plan to a committee of the Board.

The Common Shares to be delivered to participants upon the vesting of RSUs will be issued from treasury. The RSU Plan provides that the maximum number of Common Shares reserved for issuance at any time pursuant to the RSU Plan and the Stock Option Plan, in aggregate, shall not exceed a number of Common Shares equal to 10% of the aggregate of the number of issued and outstanding Common Shares. To the extent that RSUs are terminated or cancelled prior to the issuance of any Common Shares, such Common Shares underlying such award shall be added back to the number of shares reserved for issuance under the RSU Plan and will become available for grant again under the RSU Plan.

The RSU Plan provides that the number of Common Shares reserved for issuance and which may be issued pursuant to the RSU Plan and other security based compensation arrangements established by Kelt (including the Stock Option Plan) shall be limited as follows: (i) the number of Common Shares reserved for issuance to any one individual shall not exceed 5% of the issued and outstanding Common Shares; (ii) the number of Common Shares reserved for issuance under all security based compensation arrangements of Kelt granted to insiders of Kelt shall not exceed 10% of the issued and outstanding Common Shares; and (iii) the number of Common Shares that may be issued to insiders of Kelt within any one-year period under all security based compensation arrangements of Kelt shall not exceed 10% of the issued and outstanding Common Shares.

Unless otherwise determined by the Board or unless otherwise provided in any RSU award or any written agreement governing a participant's role as a service provider, if a participant's service with Kelt terminates for cause, then all unvested RSUs will automatically terminate. Upon a participant's voluntary resignation, all unvested RSUs will automatically terminate, provided however, that the Board has discretion to accelerate vesting or permit continued vesting of the RSUs. If a participant's services terminate as a result of the participant's disability, then the participant's awards will generally continue to vest in accordance with the vesting schedule set forth in the participant's award agreement. Upon a participant's death, all outstanding RSUs held by the participant shall immediately vest and Common Shares shall become deliverable.

In the event there is any change in the Common Shares through the declaration of stock dividends or subdivisions, consolidations or exchanges of Common Shares, or otherwise, the number of Common Shares available for issuance and to be issued upon the vesting of RSUs granted under the RSU Plan shall be adjusted appropriately by the Board, subject to TSX approval. In the event that a divestiture of a business unit of Kelt results in the termination of a participant's term as a director, officer, employee or other eligible service provider of Kelt and such participant becomes a director, officer or employee of the person acquiring or operating such business unit, the Board may accelerate the vesting of all or any portion of a participant's RSUs or determine that such participant shall continue to be a participant in the RSU Plan, subject to such terms and conditions (including vesting), if any, established by the Board in its sole discretion. In the event of a change of control of Kelt, subject to the terms of any employment agreement between Kelt and a participant, all outstanding RSUs shall vest upon or immediately prior to the completion of the transaction resulting in the change of control. Under no circumstances will RSUs be considered Common Shares nor shall they entitle the participant to exercise voting rights or any other rights attaching to the ownership of Common Shares, nor shall any participant be considered the owner of the Common Shares by virtue of the award of RSUs.

Pursuant to the RSU Plan, a participant may make an offer (the "**Surrender Offer**") to Kelt, at any time, for the disposition and surrender by the participant (and the termination thereof) of any of the RSUs granted under the RSU Plan for an amount (not to exceed the "**Fair Market Value**" of the RSUs) (as such term is defined in the RSU Plan)) specified in the Surrender Offer by the participant and Kelt may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the RSUs in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by Kelt to the participant.

The Board may amend the terms of the RSU Plan or suspend the RSU Plan in whole or in part and may at any time terminate the RSU Plan without prior notice. In addition, the Board may, by resolution, amend the RSU Plan and any RSU, without shareholder approval, provided however, that the Board will not be entitled to amend the RSU Plan without TSX and shareholder approval: (i) to increase the maximum number of Common Shares issuable pursuant to the RSU Plan; (ii) to extend the term of a RSU held by an insider of Kelt; or (iii) in any other circumstances where TSX and shareholder approval is required by the TSX.

For a description of the process used by the Corporation to grant RSUs, see the section herein entitled "*Executive Compensation – Share-Based and Option-Based Awards*". Other than as set out therein, the number of RSUs granted are not based on benchmarks, performance goals or a specific formula.

As at the date hereof: (i) the Corporation has issued and there are currently outstanding Options to purchase 4,902,200 Common Shares under the Stock Option Plan which represents approximately 3.8% of the currently outstanding Common Shares; (ii) the Corporation has issued and there are currently outstanding 1,753,000 RSUs under the RSU Plan which represents approximately 1.3% of the currently outstanding Common Shares; and (iii) there remains for issuance under the Stock Option Plan and the RSU Plan, 6,426,347 Options or RSUs to purchase Common Shares representing approximately 5.1% of the currently outstanding Common Shares.

Employee Stock Savings Plan

The Corporation has an Employee Stock Savings Plan ("**Employee Stock Savings Plan**") in which all employees of the Corporation, including the Named Executive Officers, are eligible to participate. The purpose of the Employee Stock Savings Plan is to make available to the Corporation's employees a means of acquiring, through regular payroll deductions and the Corporation's matching contribution, Common Shares so that participating employees, including the Named Executive Officers, can have an opportunity to benefit from the growth in the value of the Corporation. All employees who become participants in the Employee Stock Savings Plan contribute, on a semi-monthly basis, an amount up to 10% of the amount of their regular salary for such semi-monthly period. At the end of each semi-monthly period, the Corporation shall contribute an amount to the Employee Stock Savings Plan equal to 100% of the participating employee's contribution. All contributions to the Employee Stock Savings Plan are deposited with a trustee to purchase, through the TSX, Common Shares for participating employees. The Corporation's portion of the contributions vests immediately at the time of payment by the Corporation.

Risks Associated with the Corporation's Compensation Policies and Practices

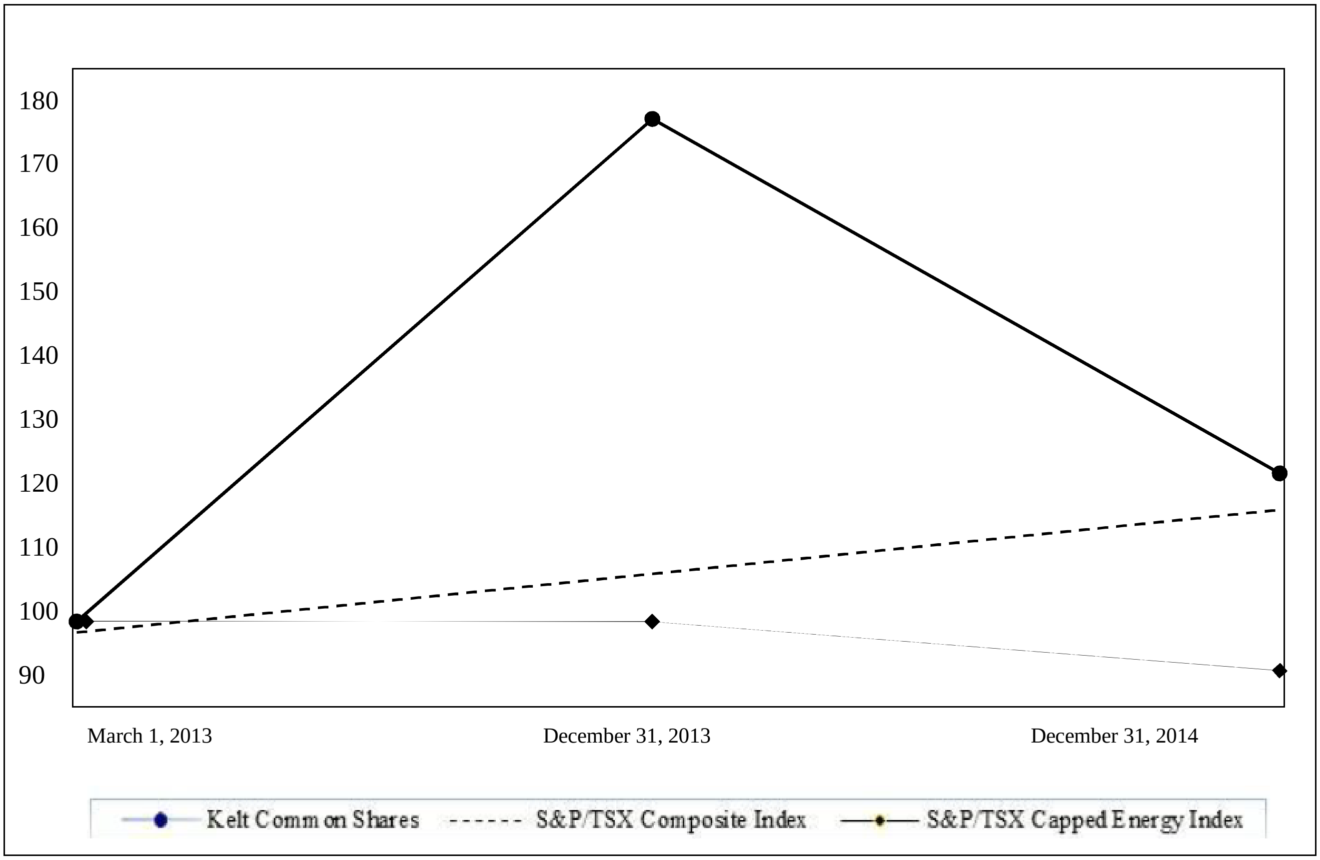
The Board has considered the implications of the risks associated with the Corporation's compensation policies and practices. The Board does not believe that the Corporation's executive compensation program encourages the Named Executive Officers to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (i) the Corporation's compensation policies and practices are uniform throughout and there are no significant differences in the compensation structure amongst the Named Executive Officers; (ii) the overall compensation program is aligned with the Corporation's business plan and long-term strategies; (iii) the compensation package for the Named Executive Officers consists of fixed (base salary) and variable elements (Options and RSUs) which are designed to balance short-term goals and the long-term interests of the Corporation and are aimed at creating sustainable value for the Corporation's shareholders; and (iv) in exercising its discretion in granting Options and RSUs, the Board reviews individual and corporate performance taking into account the long-term interests of the Corporation.

Financial Instruments

The Corporation has not implemented any policies which restrict its Named Executive Officers and directors from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds), that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by any Named Executive Officer or director.

Performance Graph

The following graph illustrates the Corporation's cumulative shareholder return since the listing of the Common Shares on March 1, 2013 as measured by the closing price of the Common Shares at the end of each period indicated, assuming an initial investment of $100 on March 1, 2013, compared to the S&P/TSX Composite Index and the S&P TSX Capped Energy Index.



	March 1, 2013	December 31, 2013	December 31, 2014	Average Annual Return
Kelt Common Shares	100	174	130	15.49%
S&P/TSX Composite Index	100	110	121	10.99%
S&P/TSX Capped Energy Index	100	111	93	(3.99%)

The trend shown by the foregoing graph is difficult to compare to the trend in the Corporation's compensation to the Named Executive Officers as set out in this Management Information Circular since the trend covers only the period from the listing of the Corporation's Common Shares on the TSX on March 1, 2013 to December 31, 2014. A comparison based on the foregoing graph is also affected by the fact that during the first two years of operations, commencing on February 27, 2013, base salaries paid by the Corporation were set below the median levels paid by the Corporation's competitors and peers. See the section herein entitled "*Executive Compensation – Compensation Discussion and Analysis – Elements of the Executive Compensation Program – Base Salaries*".

Share-Based and Option-Based Awards

Granting Process for Share-Based Awards

The process that the Corporation uses to grant share-based awards to the Named Executive Officers, and the factors that are taken into account when considering new grants under the RSU Plan, are based on a number of criteria, including the base salary of the Named Executive Officers and the base salaries then being paid by the Corporation's competitors and peers, the number of RSUs available for grant under the RSU Plan, the number of RSUs anticipated to be required to meet the future needs of the Corporation, as well as the number of RSUs previously granted to each of the Named Executive Officers. It is the full Board, as opposed to the Compensation Committee, which determines the need for amendments to the RSU Plan and it is the full Board which determines the number of RSU grants to be made under the RSU Plan. The CEO frequently provides input and recommendations to the Board regarding the granting of RSUs, from time to time. The CEO, in turn, and where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. Other than as set out immediately above, the grant of share-based awards is not determined based on benchmarks, performance goals or a specific formula.

Granting Process for Option-Based Awards

The process that the Corporation uses to grant option-based awards to the Named Executive Officers, and the factors that are taken into account when considering new grants under the Stock Option Plan, is based upon a number of criteria, including the performance of the Named Executive Officers, the number of Options available for grant under the Stock Option Plan, the number of Options anticipated to be required to meet the future needs of the Corporation, as well as the number of Options previously granted to each of the Named Executive Officers. It is the full Board, as opposed to the Compensation Committee, which determines the need for any amendments to the Stock Option Plan and it is the full Board which determines the number of Option grants to be made under the Stock Option Plan. The CEO frequently provides input and recommendations to the Board regarding the granting of Options, from time to time. The CEO, in turn, and where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. Other than as set out immediately above, the grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula.

Compensation Governance

The members of the Compensation Committee are Robert J. Dales (Chair), Eldon A. McIntyre and Neil G. Sinclair, each of whom is independent as required by the mandate of the Compensation Committee. The Compensation Committee annually reviews and recommends the compensation to be received by the Corporation's directors and the Named Executive Officers. Compensation is based on the underlying philosophy that such compensation should be competitive with other corporations of similar size and should be reflective of the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. Although during the first two years of operations of the Corporation, commencing on February 27, 2013, the base salaries paid by the Corporation were set below the median levels paid by the Corporation's competitors and peers, the Corporation is of the view that base salaries, in conjunction with the long-term incentive component of the Corporation's executive compensation program, are in line with this underlying philosophy and will allow the Corporation to achieve its dual objectives. With respect to directors' compensation, the Compensation Committee reviews the level and form of compensation received by the directors, members of each committee, the Chair of the Board and the Chair of each committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to the Corporation. The compensation of directors, and the CEO and other executive officers of competitors are considered, to the extent publicly available, in determining compensation and the Compensation Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation.

Each member of the Compensation Committee has direct experience that is relevant to his responsibilities as a member of the Compensation Committee. Mr. Dales holds an MBA and he has over 20 years of public issuer experience, both as an officer and as a director. Mr. McIntyre has been President of an active private corporation, with significant oil and gas operations, for over 34 years. He also has extensive public issuer experience as a director. Mr. Sinclair holds a BA and an MBA and has been President of an active private corporation, with significant real estate operations, for over 41 years, and he also has extensive public company experience as an officer and/or as a director. The skills and experience possessed by the members of the Compensation Committee, acquired as a result of their lengthy and extensive business careers, enable them to make decisions on the suitability of Kelt's compensation policies and practices.

The duties and responsibilities of the Compensation Committee are as follows:

(a) annually recommend objectives and performance criteria applicable to the Board, each director, the Board Chair, the Chair of each committee and the CEO;

(b) annually arrange for an evaluation of the performance, contribution and effectiveness of the Board and committees, individual directors, each Chair and the CEO in the context of the mandates, position descriptions, competencies and skills that each director is expected to bring to the Board;

(c) prepare and distribute a report to the Board regarding annual evaluations to initiate discussion regarding how to improve the performance, contribution and effectiveness of the Board, each committee, each director and the CEO;

(d) make recommendations to the Board regarding the amount and form of compensation to award to directors, the Board Chair and the Chair of each committee;

(e) make recommendations to the independent members of the Board regarding the amount and form of compensation to award the CEO;

(f) review and make recommendations to the Board regarding proposals for the compensation of executive officers and management, including salary, bonus, options, perquisites, retirement allowances and all other forms of proposed compensation;

(g) review and make recommendations regarding all incentive and equity-based compensation plans and all proposed grants of securities under such plans; and

(h) review and make recommendations regarding employee benefit and retirement plans.

Summary Compensation Table

The following table provides compensation information for the financial year ended December 31, 2014 and for the financial year ended December 31, 2013 (no compensation was paid by the Corporation for the period ended December 31, 2012) in respect of the Named Executive Officers, being David J. Wilson, the President and CEO of the Corporation, Sadiq H. Lalani, the Vice President, Finance and CFO of the Corporation, and the Corporation's four most highly compensated executive officers other than the CEO and the CFO, namely, Douglas J. Errico, Vice President, Land, Alan G. Franks, Vice President, Production, Patrick Miles, Vice President, Exploration, and Douglas O. McArthur, Vice President, Operations.

					Non-equity incentive plan compensation ($)			
Name and principal position	**Year[(1)]**	**Salary ($)**	**Share-based awards[(2)(3)]**	**Option-based awards[(4)(5)] ($)**	**Annual incentive plan**	**Long-term incentive plans**	**All other compensation ($)[(6)(7)]**	**Total compensation ($)**
David J. Wilson,[(8)] President and Chief Executive Officer	2014 2013	Nil Nil	Nil 1,119,310	377,830 488,250	Nil Nil	Nil Nil	Nil Nil	377,830 1,607,560
Sadiq H. Lalani, Vice President, Finance and Chief Financial Officer	2014 2013	70,000 58,833	Nil 1,119,310	377,830 488,250	30,000 Nil	Nil Nil	7,000 583	484,830 1,666,476
Douglas J. Errico, Vice President, Land	2014 2013	70,000 58,833	Nil 504,660	319,240 418,500	30,000 Nil	Nil Nil	7,000 583	426,240 982,076
Alan G. Franks, Vice President, Production	2014 2013	70,000 58,833	Nil 912,270	319,240 418,500	30,000 Nil	Nil Nil	7,000 583	426,240 1,389,686
Patrick Miles, Vice President, Exploration	2014 2013	70,000 58,833	Nil 724,640	319,240 418,500	30,000 Nil	Nil Nil	7,000 583	426,240 1,202,056
Douglas O. MacArthur, Vice President, Operations	2014 2013	70,000 58,833	Nil 724,640	319,240 418,500	30,000 Nil	Nil Nil	7,000 583	426,240 1,202,056

Notes:

(1) Each of the Named Executive Officers (other than the CEO who is not paid a base salary) commenced earning a base salary on February 27, 2013, upon commencement of business by the Corporation on that date.

(2) "Share-based awards" are RSUs granted under the RSU Plan.

(3) The Corporation has calculated the grant date fair value of RSUs using the volume weighted average trading price of the Common Shares on the TSX over three trading days immediately preceding the date of grant of $6.47 per Common Share.

(4) "Option-based awards" are Options granted under the Stock Option Plan.

(5) The Corporation has calculated the grant date fair value of the Options granted to Named Executive Officers using the Black-Scholes option pricing model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options and value comparisons. The Black-Scholes option pricing model assumptions used by the Corporation were:

	2014	2013
Risk free interest rate	1.3%	1.3%
Expected life (years)	4.0	4.0
Expected volatility	37.0%	55.0%
Expected dividend rate	0.0%	0.0%
Expected forfeiture rate	0.0%	0.0%
Fair Value of Options granted during year ($/share)	$2.75	$2.79

The aggregate number of Options held by each of the Named Executive Officers, including the number of Options granted to each Named Executive Officer during the financial year ended December 31, 2014, is set out in the table under the heading entitled "*Executive Compensation – Outstanding Share-Based Awards and Option-Based Awards*".

(6) Amounts paid by the Corporation as matching contributions under the Stock Savings Plan.

(7) None of the Named Executive Officers received perquisites, including property or personal benefits not generally available to all employees that in aggregate were worth $50,000 or more, or were worth 10% or more of the Named Executive Officer's total salary for the financial year ended December 31, 2014.

(8) Mr. Wilson also serves as a director of the Corporation. All of the compensation paid to Mr. Wilson relates to his position as a Named Executive Officer and none of the compensation paid to Mr. Wilson relates to his role as a director.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of incentive plan awards outstanding at the end of the financial year ended December 31, 2014 held by the Named Executive Officers.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options(1) (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options(2) ($)**	**Number of shares or units of shares that have not vested(3) (#)**	**Market or payout value of share-based awards that have not vested(4) ($)**	**Market or payout value of share-based awards not paid out or distributed ($)**
David J. Wilson	175,000	6.47	Mar 15/18	92,750	173,000	1,211,000	N/A
	60,000	12.30	Mar 18/19	-	-	-	
	77,000	7.08	Dec 15/19	-	-	-	
Sadiq H. Lalani	175,000	6.47	Mar 15/18	92,750	173,000	1,211,000	N/A
	60,000	12.30	Mar 18/19	-	-	-	
	77,000	7.08	Dec 15/19	-	-	-	
Douglas J. Errico	150,000	6.47	Mar 15/18	79,500	78,000	546,000	N/A
	50,000	12.30	Mar 18/19	-	-	-	
	66,000	7.08	Dec 15/19	-	-	-	
Alan G. Franks	150,000	6.47	Mar 15/18	79,500	141,000	987,000	N/A
	50,000	12.30	Mar 18/19	-	-	-	
	66,000	7.08	Dec 15/19	-	-	-	
Patrick Miles	150,000	6.47	Mar 15/18	79,500	112,000	784,000	N/A
	50,000	12.30	Mar 18/19	-	-	-	
	66,000	7.08	Dec 15/19	-	-	-	
Douglas O. MacArthur	150,000	6.47	Mar 15/18	79,500	112,000	784,000	N/A
	50,000	12.30	Mar 18/19	-	-	-	
	66,000	7.08	Dec 15/19	-	-	-	

Notes:

(1) Options vest as to one-third on each anniversary of the date of grant.

(2) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX on December 31, 2014, being $7.00.

(3) RSUs vest as to one-half on the second anniversary of the date of grant and as to one-half on the third anniversary of the date of grant.

(4) Value is calculated based on the closing price of the Common Shares on the TSX on December 31, 2014, being $7.00.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of incentive plan awards which vested during the financial year ended December 31, 2014 for each Named Executive Officer.

Name	Option-based awards - Value vested during the year (1) ($)	Non-equity incentive plan compensation – Value earned during the year (2) ($)
David J. Wilson	343,000	Nil
Sadiq H. Lalani	343,000	30,000
Douglas J. Errico	294,000	30,000
Alan G. Franks	294,000	30,000
Patrick Miles	294,000	30,000
Douglas O. MacArthur	294,000	30,000

Notes:

(1) Represents the aggregate dollar value that would have been realized if the Options under the option-based awards had been exercised on the vesting date based on the difference between the closing market price of the Common Shares on the date immediately preceding the vesting date, being $12.35, and the exercise price of the Options held.
(2) Amounts shown are corporate bonus payments in 2014 related its performance during the financial year ended December 31, 2013.
(3) None of the RSUs granted under the RSU Plan vested during the financial year ended December 31. 2014.

Termination and Change of Control Benefits

Stock Option Plan

The Stock Option Plan provides that in the event of a change of control, all unexercised and unvested outstanding Options shall immediately vest and be exercisable, but may only be purchased for tender to the subject transaction. If the subject transaction is not completed, any Common Shares issued and tendered to the transaction shall be deemed to be cancelled and returned to treasury.

RSU Plan

The RSU Plan provides that in the event of a change of control of the Corporation, subject to the terms of any employment agreement between the Corporation and a participant, all outstanding RSUs shall vest upon or immediately prior to the completion of the transaction resulting in the change of control.

Estimated Incremental Payments and Benefits as of December 31, 2014

The following table sets forth the estimated incremental payments and benefits that would be received by the Named Executive Officers following a change of control, in each case had such events occurred on December 31, 2014.

Name	Stock Option Plan(1) ($)	RSU Plan(2) ($)	Total ($)
David J. Wilson	92,750	1,211,000	1,303,750
Sadiq H. Lalani	92,750	1,211,000	1,303,750
Douglas J. Errico	79,500	546,000	625,500
Alan G. Franks	79,500	987,000	1,066,500
Patrick Miles	79,500	784,000	863,500
Douglas O. MacArthur	79,500	784,000	863,500

Notes:

(1) As provided for in the Stock Option Plan, assuming a change of control on December 31, 2014, all unvested Options held by the Named Executive Officers would vest and be immediately exercisable. Value is calculated based on the difference between the exercise of the Options and the closing price of the Common Shares on the TSX on December 31, 2014, being $7.00

(2) As provided for in the RSU Plan, assuming a change of control on December 31, 2014, all unvested RSUs held by the Named Executive Officers would vest. Value is calculated based on the closing price of the Common Shares on the TSX on December 31, 2014, being $7.00.

Compensation of Directors

In designing a compensation program for non-executive directors, the Board's objective is to ensure that the Corporation attracts and retains highly qualified, committed and talented members of the Board with an extensive and relevant breadth of experience, as well as to align the interests of directors with those of its shareholders.

The Board sets the compensation of non-executive directors based on the Compensation Committee's recommendations. The Compensation Committee annually reviews the compensation of non-executive directors and recommends to the Board such adjustments as it considers appropriate and necessary to recognize the workload, time commitment and responsibility of the Board and committee members and to remain competitive with director compensation trends in Canada.

Director Compensation

Summary Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the Corporation's financial year ended December 31, 2014.

Name	Fees earned ($)	Option-based awards(1) ($)	All other compensation ($)	Total ($)
Robert J. Dales	Nil	181,020	Nil	181,020
William C. Guinan	Nil	181,020	Nil	181,020
Eldon A. McIntyre	Nil	181,020	Nil	181,020
Neil G. Sinclair	Nil	181,020	Nil	181,020

Notes:

(1) The Corporation has calculated the grant date fair value of the Options granted to directors using the Black-Scholes option pricing model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options and value comparisons. The Black-Scholes option pricing model assumptions used by the Corporation were:

Risk free interest rate	1.5%
Expected life (years)	5.0
Expected annualized volatility	37.0%
Expected dividend yield	0.0%
Expected forfeiture rate	0.0%
Fair Value of Options granted during 2014 ($/share)	$3.12

The aggregate number of Options held by each of the directors of the Corporation, including the number of Options granted to each director of the Corporation during the financial year ended December 31, 2014, is set out in the table under the heading entitled "*Executive Compensation – Director Compensation – Outstanding Option-Based Awards*".

(3) Compensation information for David J. Wilson, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "*Executive Compensation - Summary Compensation Table*".

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the Corporation's financial year ended December 31, 2014 provided to the directors of the Corporation.

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options(1) ($)
Robert J. Dales	75,000	6.47	March 15, 2018	39,750
	25,000	12.30	March 18, 2019	-
	33,000	7.08	December 15, 2019	-
William C. Guinan	75,000	6.47	March 15, 2018	39,750
	25,000	12.30	March 18, 2019	-
	33,000	7.08	December 15, 2019	-
Eldon A. McIntyre	75,000	6.47	March 15, 2018	39,750
	25,000	12.30	March 18, 2019	-
	33,000	7.08	December 15, 2019	-
Neil G. Sinclair	75,000	6.47	March 15, 2018	39,750
	25,000	12.30	March 18, 2019	-
	33,000	7.08	December 15, 2019	-

Notes:

(1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Corporation's Common Shares on the TSX on December 31, 2014, being $7.00.

(2) Compensation information for David J. Wilson, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "*Executive Compensation – Outstanding Share-Based Awards and Option-Based Awards*".

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of incentive plan awards which vested during the financial year ended December 31, 2014. The directors of the Corporation do not receive share-based awards or non-equity incentive plan compensation.

Name	Option-based awards value vested during year ($)(1)
Robert J. Dales	147,000
William C. Guinan	147,000
Eldon A. McIntyre	147,000
Neil G. Sinclair	147,000

Note:

(1) Represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Common Shares on the date immediately preceding the vesting date, being $12.35, and the exercise price of the Options held.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as at December 31, 2014 with respect to the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by securityholders[(1)]	Options: 4,927,200 RSUs: 1,761,500	Options: $8.38 RSUs: N/A	6,004,708 [(2)]
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	6,688,700	Options: $8.38 RSUs: N/A	6,004,708 [(2)]

Notes:

(1) The Stock Option Plan and the RSU Plan were approved by the shareholders of Celtic Exploration Ltd. ("**Celtic**") at the annual and special meeting of the shareholders of Celtic and the debentureholders of Celtic held on December 14, 2012.

(2) The Stock Option Plan and the RSU Plan provide that the aggregate number of Common Shares reserved for issuance pursuant to the Stock Option Plan and the RSU Plan shall not exceed 10% of the aggregate number of issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed nominee for election as a director of the Corporation, executive officer, employee or former executive officer, director or employee of the Corporation, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation, nor, at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE

Information in respect of the composition of the Corporation's Audit Committee, the education and experience of each of the members of the Audit Committee, the Terms of Reference for the Audit Committee, the Audit Committee's pre-approval policies and procedures for the engagement of non-audit services and the fees paid by the Corporation for external auditor services in 2013 and 2014 is set out under the heading "*Audit Committee*" in the Corporation's Annual Information Form dated March 11, 2015.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Policy**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and Form 58-101F1 *Corporate Governance Disclosure* ("**Form 58-101F1**") require the Corporation to disclose in its management information circular, among other things, the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and continuing education of board members. Attached to this Management Information Circular as Appendix A, is the Corporation's corporate governance disclosure prescribed by Form 58-101F1 with respect to the matters set out under the Policy. This disclosure includes the amendments to NI 58-101 (the "**NI 58-101 Amendments**") which were adopted for implementation effective December 31, 2014 by the securities regulatory authorities in the provinces and territories of Canada, other than Alberta, British Columbia, Prince Edward Island and Yukon Territory.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements and Auditors' Report

At the Meeting, shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2014 and the auditors' report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

2. Fixing Number of Directors to be Elected at the Meeting

At the Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).

Unless otherwise directed, it is the intention of the persons designated in the accompanying from of proxy to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5). In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at five (5) must be passed by a majority of the votes cast by shareholders who vote in respect of this ordinary resolution.

3. Election of Directors

At the Meeting it is proposed that five (5) directors be elected to hold office until the next annual meeting or until their successors are elected or appointed. There are presently five (5) directors of the Corporation, the term of each of which expires at the Meeting.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the election as directors of the five (5) nominees hereinafter set forth. Management has no reason to believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the accompanying form of proxy reserve the right to vote for other nominees in their discretion unless the shareholder has specified in the accompanying form of proxy that such shareholder's Common Shares are to be withheld from voting on the election of directors.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, their province and country of residence, their principal occupation, the period served as a director and the number of voting Common Shares that each proposed nominee beneficially owns, or exercises control or direction over, directly or indirectly, as of the Record Date. The information as to Common Shares owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.

Name and Province and Country of Residence	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly (1)	Director Since	Principal Occupation
Robert J. Dales (2)(3)(5) Alberta, Canada	1,754,665	October, 2012	President, Valhalla Ventures Inc., a private investment corporation from January 1999 to the present. President, Drako Capital Corp., a corporation engaged in oil and gas exploration and production from January 2010 to the present. President, Desco Resources Inc., a capital pool company, from July 2009 to July 2010.
William C. Guinan(4)(6) Alberta, Canada	1,084,806	October, 2012	Partner, Borden Ladner Gervais LLP, a law firm.
Eldon A. McIntyre (2)(3)(5)(6) Alberta, Canada	6,415,125(7)(8)	October, 2012	President, Jarrod Oils Ltd., a private Saskatchewan corporation engaged in oil and gas exploration and production, from the late 1970's to the present.
Neil G. Sinclair (2)(3)(4)(5) British Columbia, Canada	2,180,857	October, 2012	President, Sinson Investments Ltd., a private British Columbia corporation engaged in property development, from 1973 to the present.
David J. Wilson(4) Alberta, Canada	11,653,528(9)	October, 2012	President and Chief Executive Officer of Kelt Exploration Ltd. since October 2012. Prior thereto President and Chief Executive Officer of Celtic Exploration Ltd., a public oil and gas company, from September 2002 to February 2013.

Notes:

(1) In addition to the Common Shares beneficially owned, controlled or directed, directly or indirectly, the nominees for director hold an aggregate 821,000 Options and Mr. Wilson holds 173,000 RSUs.
(2) Member of the Audit Committee. The Corporation is required to have an audit committee pursuant to the *Business Corporations Act* (Alberta).
(3) Member of the Compensation Committee.
(4) Member of the Health, Safety and Environment Committee.
(5) Member of the Reserves Committee.
(6) Member of the Nominating Committee.
(7) Mr. McIntyre controls Eldon Investments Inc. which owns 51,900 of these shares.
(8) Mr. McIntyre is a trustee of the McIntyre Family Trust which owns 790,700 of these shares.
(9) Mr. Wilson controls 710719 Alberta Inc. which owns 885,988 of these shares, is a trustee of the David and Penny Wilson Family Foundation which owns 784,167 of these shares and is a trustee of the David Wilson Family Trust which owns 83,200 of these shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of those persons who are proposed directors of the Corporation is, or has been within the past 10 years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity. In addition, none of those persons who are proposed directors of the Corporation is, or has been within the past 10 years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. None of the persons who are proposed directors of the Corporation have, within the past 10 years, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets. None of those persons who are proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Majority Voting for Directors

The Board has adopted a policy which requires that any nominee for director who receives a greater number of votes “withheld” than votes “for” his or her election as a director shall submit his or her resignation to the Board for consideration promptly following the shareholders annual meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected. The Nominating Committee of the Board shall consider the resignation and shall recommend to the Board whether or not to accept the resignation. The Board shall act on the Nominating Committee’s recommendation within ninety (90) days following the applicable meeting and, if applicable, a press release disclosing the resignation shall be issued at the time of the Board’s determination. Any director who tenders his or her resignation will not participate in any meeting of the Board to consider whether or not his or her resignation shall be accepted.

4. Appointment of Auditors

PricewaterhouseCoopers LLP, Chartered Accountants, of Calgary, Alberta are the auditors of the Corporation and were appointed as the auditors of the Corporation on October 11, 2012.

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing PricewaterhouseCoopers LLP, Chartered Accountants, to serve as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of an ordinary resolution to appoint the firm of PricewaterhouseCoopers LLP, Chartered Accountants, to serve as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the Corporation’s directors or executive officers or companies or persons that beneficially own or control or direct, directly or indirectly, or a combination of both, more than 10% of the Common Shares, is a director or executive officer of such 10% holder, or any of their respective associates and affiliates, or any proposed nominee for election as a director of the Corporation, has any material interest in any transaction with the Corporation since the commencement of the Corporation’s last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation which has not been previously disclosed.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations, and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, except as described in this Management Information Circular under the heading "*Matters to be Acted Upon at the Meeting – Election of Directors*".

OTHER MATTERS TO BE ACTED UPON

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's audited financial statements and management's discussion and analysis for the financial year ended December 31, 2014.

Any request for these documents can be made by contacting the Vice President, Finance and Chief Financial Officer of Kelt Exploration Ltd. at Suite 300, 311 – 6th Avenue S.W., Calgary, Alberta, T2P 3H2 and/or fax (403) 291-0155. Information relating to the Corporation can also be obtained on SEDAR under the Corporation's profile at www.sedar.com.

APPENDIX A

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1, including the NI 58-101 Amendments, which is attached to NI 58-101 ("**Form 58-101F1 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to the Form 58-101F1 Disclosure.

1. Board of Directors

(a) **Disclose the identity of directors who are independent.**

The following four directors of the Corporation are independent (for purposes of NI 58-101):

Robert J. Dales
William C. Guinan
Eldon A. McIntyre
Neil G. Sinclair

(b) **Disclose the identity of directors who are not independent, and describe the basis for that determination.**

David J. Wilson is not independent as he occupies the position of President and Chief Executive Officer of the Corporation.

(c) **Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.**

A majority of the directors of the Corporation (four of the five) are independent.

(d) **If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	**Name of Other Issuers**	**Exchange**
Robert J. Dales	Ikkuma Resources Corp.	TSXV
William C. Guinan	CERF Incorporated Ikkuma Resources Corp.	TSXV TSXV
David J. Wilson	Artek Exploration Inc.	TSX

(e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

At the end of each meeting of the Board, the independent directors meet without management to consider any matters arising from the meeting or otherwise that require consideration or discussion among the independent directors. Five such meetings were held since the beginning of the last completed financial year.

(f) **Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

The Board has appointed William C. Guinan, an independent member of the Board, Chair of the Board.

(g) **Disclose the attendance record of each director for all board and committee meetings held since the beginning of the issuer's most recently completed financial year.**

	No. of Meetings held	**Robert J. Dales**	**William C. Guinan**	**Eldon A. McIntyre**	**Neil G. Sinclair**	**David J. Wilson**
Board	4	3	4	4	4	4
Audit Committee	4	3	N/A	4	4	N/A
Compensation Committee	1	1	N/A	1	1	N/A
Health, Safety and Environment Committee	1	N/A	1	N/A	1	1
Nominating Committee	1	1	1	1	N/A	N/A
Reserves Committee	1	1	N/A	1	1	N/A
Total Meetings	12	9	6	11	11	5
Attendance Rating	100%	81.8%	100%	100%	100%	100%

2. **Board Mandate - Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The mandate of the Board is attached to this Appendix A as Schedule A.

3. **Position Descriptions**

(a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Board has developed written position descriptions for the Board Chair as well as the Chair of each of the committees of the Board.

(b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The Board, with the input of the CEO of the Corporation, has developed a written position description for the CEO.

4. **Orientation and Continuing Education**

(a) **Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.**

While the Corporation does not currently have a formal orientation and education program for new directors, the Corporation has historically provided such orientation and education on an informal basis. Upon joining the Board, management has provided directors with corporate policies, including descriptions of the general duties and responsibilities entailed in carrying out their duties as well as written information respect the nature and the operation of the Corporation's business. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, its limited history, limited turnover of the directors and the experience and expertise of the members of the Board.

(b) **Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

No formal continuing education program currently exists for directors of the Corporation. The Corporation, however, regularly provides the directors (at least on a quarterly basis) briefings and an update on the business, operations and affairs of the Corporation, including new and ongoing prospects of the Corporation, the Corporation's performance relative to its peers and competitors and other developments related thereto that could have a significant impact on the Corporation's operations and results. Such updates are conducted by senior levels of management with responsibility in the various areas under discussion. The Corporation also encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and will pay the cost of certain courses.

5. **Ethical Business Conduct**

(a) **Disclose whether or not the board has adopted a written code for the directors, officers and employees.**

The Corporation has adopted a Code of Business Conduct and Ethics for directors, officers and employees (the "**Code**").

If the board has adopted a written code:

(i) **disclose how a person or company may obtain a copy of the code;**

A copy of the Code may be obtained from the Chief Financial Officer of the Corporation at (403) 215-5310 or slalani@keltexploration.com and is also available on the Corporation's website at www.keltexploration.com and on SEDAR at www.sedar.com.

(ii) **describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and**

All employees are provided with a copy of the Code on commencement of employment and are made aware of the consequences of violation thereof. An annual reminder that compliance with the Code is required is also provided. In addition, all employees of the Corporation are required to affirm in writing on an annual basis his or her agreement to abide by the Code.

(iii) **provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

There have been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

(b) **Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

(c) **Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.**

In addition to the Code, the Board has also adopted a "Whistleblower Policy" wherein employees of the Corporation are provided with the mechanics by which they may raise concerns with respect to a possible violation of the Corporation's disclosure standards in a confidential, anonymous process.

6. **Nomination of Directors**

(a) **Describe the process by which the board identifies new candidates for board nomination.**

The Nominating Committee is responsible for identifying suitable candidates for nominees for election or appointment as director, and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Nominating Committee is to consider: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

(b) **Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

The Corporation has a Nominating Committee, which is responsible for nominating directors, and which is comprised of only independent directors.

(c) **If the board has nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

The responsibilities, powers and operations of the Nominating Committee are annually reviewing the composition, skills, size and tenure of directors in advance of annual general meetings and whenever individual directors indicate that their status as members may change; identify qualified candidates, taking into account candidates' independence, financial acumen, skills and time available to devote to the duties of the Board; assess the competencies and skills each director possesses, the Board as a whole possesses, the nominees will bring the Board if elected and the Board as a whole should possess; assess the appropriate size of the Board with a view to facilitating effective decision making; advise directors of the time and resources directors are expected to contribute to the Board; recommend nominees for election as directors and appointment as members and the Chair of Committees together with the reasons for their recommendations; co-ordinate an orientation program for new directors to include: (i) a director manual regarding the duties of the Board, individual directors, each Committee, the Board Chair, Chair of each Committee, the CEO, the Chief Financial Officer and other executive officers of the Corporation; (ii) information regarding the nature and operation of the Corporation's business and organizational structure; and (iii) copies of the Board and Committee Mandates, position descriptions, the Code and other governance policies; (h) arrange for the directors to receive: (i) distributions of updated information regarding the Corporation's business, market and competitors; (ii) presentations as appropriate to advise of corporate developments, changes in industry conditions and changes in legal and regulatory requirements affecting the Corporation; and (iii) tours of the Corporation's facilities to interact with executive officers, management and employees in order to say abreast of industry developments and the evolving business of the Corporation; and recommend the removal of directors from Committees and the Board in the event of conflicts of interest, breach of the Code or otherwise.

7. **Compensation**

(a) **Describe the process by which the board determines the compensation for the issuer's directors and officers.**

See "*Executive Compensation - Compensation Discussion and Analysis*" and "*Executive Compensation - Elements of Executive Compensation Program*" in the body of this Management Information Circular.

(b) **Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed**

entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Compensation Committee is comprised entirely of independent directors.

(c) **If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

See "*Executive Compensation* - *Compensation Discussion and Analysis*" in the body of this Management Information Circular.

(d) **If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.**

The Corporation has not retained a compensation consultant or advisor.

8. **Other Board Committees - If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.**

Other than the Audit Committee, Compensation Committee and the Nominating Committee, the Corporation has established a Health, Safety and Environment Committee, and a Reserves Committee.

The purpose of the Health, Safety and Environment Committee is to assist the Board in fulfilling its responsibilities in relation to environmental, health and safety matters, including: (i) the provision of a safe environment for employees and others to perform their duties; (ii) reviewing and monitoring the policies and procedures of the Corporation relating to health, safety and environmental matters; and (iii) overseeing management's actions relating to compliance by the Corporation with environmental regulatory requirements and the Corporation's health, safety and environmental goals. It's duties are to: (a) in conjunction with management, review, from time to time, the Corporation's health, safety and environmental policies, practices and procedures and monitor whether those policies, practices and procedures: (i) comply with applicable legislation, regulatory requirements, and industry standards, (ii) meet the Corporation's goals, and (iii) adequately prevent or mitigate losses; (b) assess, from time to time, whether the Corporation's health, safety and environmental policies, practices and procedures are being effectively implemented; (c) receive reports from management on the Corporation's health, safety and environmental performance and review the responses of management to changes in the Corporation's performance; (d) review the effectiveness of the response by the Corporation, to health, safety and environmental issues, including compliance with applicable legislation, regulatory requirements and industry standards; (e) review and consider, as appropriate, reports and recommendations issued by the Corporation or by an external party relating to health, safety and environmental issues, together with management's response thereto; (f) review with management, its response to and management of health, safety and environmental issues; (g) report, as appropriate, to the Board on issues related to the Corporation's health, safety and environmental policies, practices and procedures, including the Corporation's management of those issues, and make recommendations to the Board thereon; (h) review with management their assessment of significant operational risks and exposures and review and assess the steps taken by the Corporation's management to mitigate those risks; and (i) at least annually, review the processes used by the Corporation's management to determine the Corporation's asset retirement obligations.

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), including arranging for the preparation and public filing with securities authorities of a Statement of Reserves Data and Other Information pursuant to Form 51-101F3 (the "**Management Report**") confirming the role of the Board in connection with reserves and executed by two senior officers and two directors of the Corporation. In addition, the Reserve Committee duties are to: (a) recommend to the Board the engagement of a qualified reserves evaluator or auditor pursuant to the requirements of N1-101; (b) ensure the independence of the reserve evaluator or auditor; (c) ensure the reserves auditor or auditor has all of the information reasonably necessary to provide a Reserves Report that satisfies the requirements of N1 51-101; (d) review the appointment or change in appointment of the reserves evaluator or auditor and in the case of a proposed change in appointment, determine whether there have been any disputes between the reserves evaluator or auditor and management of the Corporation; (e) determine whether any restrictions affect the ability of the reserves evaluator or auditor in reporting on the Corporation's reserves data; (f) review, with reasonable frequency, the Corporation's procedures relating to the disclosure of oil and gas activities and reserves information; (g) review the scope of the annual review of reserves; (h) meet independently of the annual review of reserves; (i) meet independently of management with the reserves evaluator or auditor; (j) before approving the filing of the Reserves Report, meet with management and the reserves evaluator or auditor to: (i) determine whether any restrictions affect the ability of the reserves evaluator or auditor to report on reserves data without reservation; (ii) review the reserves data and the report of the reserves evaluator or auditor; and (iii) review and approve the content and filing of the Reserves Report, the Evaluator's Report and the Management Report; (k) discuss reserves finding and disagreements between management and the reserves evaluator or auditor and resolve disputes; (l) annually assess the work of the reserves evaluator or auditor; (m) ensure that the filing of the Reserves Report, Evaluator's Report and the Management Report are the subject of a press release at the time of filing; and (n) ensure the qualifications of the members of the Reserves Committee pursuant to section 3.5 of N1 51-101.

9. **Assessments - Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.**

The Compensation Committee is responsible by its terms of reference to evaluate the effectiveness of the Board, committees and individual directors. While no formal evaluation has been conducted to date, the Compensation Committee has relied on informal evaluation of the effectiveness through both formal and informal communications with Board members and through participation with other Board members on committees and matters relating to the Board. This methodology has been both responsive and practical given the size of the Board and its limited history. The Compensation Committee may consider more formal evaluation processes in the future.

The Board is responsible for selecting the CEO, the appointment of senior management and monitoring the performance of the CEO. The Board delegates to management responsibility for, among other things, meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business, evaluating new business opportunities and complying with applicable regulatory requirements.

The Board periodically reviews the Corporation's implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the Corporation's internal control and management information systems. The Board also monitors the Corporation's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

10. **Director Term Limits and Other Mechanisms of Board Renewal – Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.**

The Board has not adopted term limits for the directors on the Board or other mechanisms of Board renewal. Instead, the Compensation Committee has the mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual Directors, the Board as a whole and the Board Committees. Through this annual review process, the Compensation Committee determines whether an individual Director is able to continue to make an effective contribution. The Board is of the view that such annual review process is more effective than terms limits or other mechanisms of Board renewal such as a mandatory retirement age.

11. **Policies Regarding the Representation of Women on the Board**

(a) **Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.**

The Board has not adopted a written policy relating to the identification and nomination of women directors. Instead, the Board evaluates potential nominees to the Board by reviewing qualifications of prospective members irrespective of gender and determines their relevance taking into consideration the then current Board composition and the anticipated skills required to round out the capabilities of the Board.

(b) **If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:**

(i) **a short summary of its objectives and key provisions;** N/A

(ii) **the measures taken to ensure that the policy has been effectively implemented;** N/A

(iii) **annual and cumulative progress by the issuer in achieving the objectives of the policy; and** N/A

(iv) **whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.** N/A

12. **Consideration of the Representation of Women in the Director Identification and Selection Process – Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.**

Neither the Board nor the Nominating Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. However, the Board evaluates potential nominees to the Board by reviewing qualifications of prospective members and determines their relevance taking into consideration the then current Board composition and the anticipated skills required to round out the capabilities of the Board.

13. **Consideration Given to the Representation of Women in Executive Officer Appointments – Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.**

The Board does not consider the level of representation of women in executive officer positions when making executive officer appointments. However, Kelt is committed to the fundamental principles of equal employment opportunities which is prescribed in its employment policies which further provide for Kelt's commitment to treating people, fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance – free from discrimination or harassment because or race, colour, ancestry, place of origin, religion, gender, sexual orientation, age, marital status, family status, physical or mental disability. Furthermore, Kelt's employment policies and procedures provide that candidates are selected based on primary consideration such as experience, skill and ability.

14. **Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

(a) **For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.**

(b) **Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.**

Kelt has not adopted a target regarding women on its Board. In evaluating potential nominees to the Board, the Nominating Committee focuses on the current Board composition and the anticipated skills required to round out the capabilities of the Board, including the knowledge and diversity of its membership.

(c) **Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.**

Kelt has not adopted a target regarding women in executive officer positions as it is an equal employment opportunity employer whereby candidates are selected based on primary considerations such as experience, skill and ability.

(d) **If the issuer has adopted a target referred to in either (b) or (c), disclose:**

(i) **the target; and** N/A

(ii) **the annual and cumulative progress of the issuer in achieving the target.** N/A

15. **Number of Women on the Board and in Executive Officer Positions**

(a) **Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.**

As at the date hereof, Kelt does not have a woman on its Board (0%).

(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

As at the date hereof, Kelt does not have any executive officer(s) that are women (0%).

SCHEDULE A
KELT EXPLORATION LTD.
(the "Corporation")

BOARD MANDATE

1. The Board of Directors of the Corporation ("**Board**") is responsible for:

   (a) stewardship of the Corporation;

   (b) supervising the management of the business and affairs of the Corporation; and

   (c) providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making.

2. The Board has the responsibility to:

   (a) act honestly and in good faith with a view to the best interests of the Corporation;

   (b) exercise the care, diligence and skill that a reasonably prudent Board would exercise in comparable circumstances; and

   (c) direct management to ensure legal, regulatory and exchange requirements applicable to the Corporation have been met.

3. A majority of the Board will, at all times, be independent directors as defined in then current laws applicable to the Corporation.

4. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

5. The Board is responsible to:

   (a) meet in person, or in exceptional circumstances by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;

   (b) hold meetings of the independent directors without management and non independent directors present; and

   (c) comply with the position description applicable to individual directors.

6. The Board is responsible to annually select a member of the Board, who is independent as defined in then current laws applicable to the Corporation, to serve as Board chair. The Board chair shall:

   (a) provide leadership to the directors;

   (b) manage the affairs of the Board; and

   (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

7. The Board is responsible to:

   (a) establish such committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board;

   (b) appoint directors to serve as members of each committee;

   (c) appoint a chair of each committee to:

      (i) provide leadership to the committee;

      (ii) manage the affairs of the committee; and

      (iii) ensure that the committee functions effectively in fulfilling its duties to the Board and the Corporation; and

   (d) regularly receive and consider reports and recommendations of each committee, in particular:

      (i) Audit Committee reports and recommendations, particularly with respect to the Corporation's annual audit; and

      (ii) Compensation Committee recommendations regarding corporate goals and objectives, Board assessments and compensation.

8. The Board is responsible to:

   (a) select and appoint the Chief Executive Officer (the "CEO") and with the assistance of the Compensation Committee, establish CEO goals and objectives and evaluate CEO performance;

   (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance;

   (c) maintain a succession plan for the replacement of the CEO and other executive officers; and

   (d) to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

9. The Board is responsible to:

   (a) annually review and either approve or require revisions to the mandates of the Board and each Board committee, position descriptions, the code of business conduct and ethics (the "Code") and all other policies of the Corporation (collectively the "Governance Documents");

   (b) take reasonable steps to satisfy itself that each director, the CEO and the executive officers are:

      (i) performing their duties ethically;

      (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;

(iii) fostering a culture of integrity throughout the Corporation; and

(c) arrange, on the advice of the Audit Committee, for the Governance Documents to be publicly disclosed.

10. The Board is responsible, with the assistance of the Audit Committee, to:

(a) approve and implement a disclosure policy which provides for disclosure and communications practices governing the Corporation; and

(b) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.

11. The Board is responsible for:

(a) reviewing departures from the Code;

(b) providing or denying waivers from the Code; and

(c) disclosing departures from the Code including by filing required material change reports for material departures from the Code containing:

(i) the date of the departure;

(ii) the parties involved;

(iii) the reason why the Board has or has not sanctioned the departure; and

(iv) any measures taken to address or remedy the departure.

12. The Board has the duty to:

(a) adopt a strategic planning process for increasing shareholder value, annually approve a strategic plan, and regularly monitor the Corporation's performance against its strategic plan;

(b) approve capital and operating budgets to implement the strategic plan;

(c) conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan; and

(d) evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.

13. The Board has the duty to:

(a) adopt a process to identify business risks and ensure appropriate systems to manage risks; and

(b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:

(i) disclosure controls and procedures;

(ii) internal controls over financial reporting; and

(iii) management information systems.

14. The Board has the duty to:

(a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:

(i) interim and annual financial statements and notes thereto;

(ii) managements' discussion and analysis of financial condition and results of operations;

(iii) relevant sections of the annual report, annual information form and management information circular containing financial information;

(iv) forecasted financial information and forward looking statements; and

(v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and

(b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

15. The Board has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

16. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

Adopted and approved by the Board: February 26, 2013.