



PRESS RELEASE

(Stock Symbol "CLT" – TSX Venture)

October 01, 2002

Calgary, Alberta

CELTIC EXPLORATION LTD. OBTAINS SHAREHOLDER APPROVAL OF ITS QUALIFYING TRANSACTION AND RELATED MATTERS

Celtic Exploration Ltd. ("Celtic") (TSX-Venture: CLT) (formerly called Desco Exploration Ltd.) has received approval from its shareholders to complete the purchase from Jarrod Oils Ltd. ("Jarrod") of certain oil and gas assets located in the Princess area of Alberta (the "Princess Properties").

The Princess Properties have been reviewed by Sproule Associates Limited and a report thereon, effective as of August 1, 2002, prepared in accordance with National Policy 2B, provides (using escalated pricing) as follows:

Reserve Category	Net Present Values (\$000)			
	Oil and Liquids (mbbl)	Gas (mmcf)	0%	15%
Proven Reserves	415.4	263	4433	3115
Proven Plus Probable Reserves	1149.8	774	12996	6106
Established Reserves (Probables Risked at 50%)	782.6	518.5	8715	4610.5

The purchase price for the Princess Properties was \$4,150,000 and was paid by the issuance to Jarrod of 2,650,000 common shares of Celtic, at an assigned value of \$1.00 per share and the balance was paid in cash. In addition, Celtic has also received approval from its shareholders to the issuance to David J. Wilson by way of private placement of 3,000,000 common shares of Celtic, as "flow-through shares" within the meaning of the Income Tax Act (Canada), at a price of \$1.00 per share and to the issuance of 2,000,000 common shares of Celtic by way of private placement to certain insiders of Celtic as well as to arm's length subscribers also at a price of \$1.00 per share.

The Board of Directors of Celtic is now comprised of Robert J. Dales, William C. Guinan, Eldon A. McIntyre, Neil G. Sinclair and David J. Wilson. David J. Wilson has also been appointed as President and Chief Executive Officer of Celtic.

Following the issuance of the Final Exchange Bulletin in this matter by the TSX Venture Exchange, Celtic will no longer be considered a "Capital Pool Corporation".

For further information please contact:

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