



PRESS RELEASE

(Stock Symbol "CLT" – TSX)

February 23, 2010

Calgary, Alberta

CELTIC ENTERS INTO AN AGREEMENT TO DISPOSE OF OIL & GAS PROPERTIES IN THE GREATER SWAN HILLS AREA OF ALBERTA

Celtic Exploration Ltd. ("Celtic" or the "Company") has entered into a binding Offer to Purchase agreement to dispose of oil and gas assets in the greater Swan Hills area of west central Alberta. The effective date of the divestment is February 1, 2010 and the expected closing date will be on or about March 31, 2010. The proceeds, prior to adjustments at closing, will be \$53.25 million. The Offer to Purchase provides that the parties will enter into a definitive purchase and sale agreement by February 24, 2010.

DIVESTMENT ATTRIBUTES

- Year-end 2009 reserves on a proven basis are 1.08 million BOE and on a proven plus probable basis are 2.0 million BOE (92% oil and 8% natural gas);
- Sales production is approximately 500 BOE/d (92% oil and natural gas liquids and 8% natural gas);
- Year-end 2009 net present value of reserves discounted at 10%, before tax, on a proven basis is \$31.7 million and on a proven plus probable basis is \$49.2 million, using Sproule's forecasted prices;
- Divestment metrics, prior to adjustments and before future capital, is expected to be approximately \$49.40 on a proven basis and \$26.61/BOE on proven plus probable basis, and \$106,500 per flowing BOE; and
- Petroleum and natural gas rights comprising 102 gross and 81 net sections (of which approximately 80% are classified as undeveloped by Celtic).

The closing of the transaction is subject to normal due diligence conditions by the Purchaser and the Purchaser obtaining the acceptance of the TSX Venture Exchange.

A portion of the proceeds from this sale of assets will be re-deployed towards Celtic's 2010 drilling program with the balance being used for general corporate purposes. Celtic's 2010 average production guidance of 18,500 to 18,700 BOE per day remains unchanged after giving effect to this disposition as a result of better than expected recent drilling results at Kaybob, Alberta.

CAUTIONARY STATEMENTS

Where amounts are expressed on a barrel of oil equivalent (BOE) basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. The term, BOE, may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. References to oil in this discussion include crude oil and natural gas liquids.

Certain information with respect to Celtic contained herein, including management's assessment of future plans and operations, contains forward-looking statements. These forward-looking statements are based on assumptions and are subject to numerous risks and uncertainties, certain of which are beyond Celtic's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve estimates, environmental risks, competition from other explorers, stock market volatility and ability to access sufficient capital. As a result, Celtic's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur. In addition, the reader is cautioned that historical results are not necessarily indicative of future performance.

For further information, please contact:

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