



**PRESS RELEASE**

(Stock Symbol "CLT" – TSX)

November 24, 2003

Calgary, Alberta

**CELTIC REPORTS INCREASED OIL AND GAS PRODUCTION  
AND HIGHER NET EARNINGS IN THE THIRD QUARTER OF 2003**

Celtic Exploration Ltd. ("Celtic" or the "Company") has released its financial and operating results for the three months and nine months ended September 30, 2003. Highlights are as follows:

**HIGHLIGHTS**

	Three months ended September 30, 2003	Nine months ended September 30, 2003
<b>Revenue, net of royalties</b>	\$ 5,772,203	\$ 14,673,725
<b>Cash flow from operations</b>	\$ 4,006,618	\$ 10,526,883
<b>Cash flow per share</b>		
Basic	\$	\$ 0.50
Diluted	\$ 0.17	\$ 0.49
<b>Net earnings</b>	\$ 1,809,596	\$ 3,798,647
<b>Earnings per share</b>		
Basic	\$	\$ 0.18
Diluted	\$	\$ 0.18
<b>Capital expenditures, net of dispositions</b>	\$ 11,319,004	\$ 42,542,706
<b>Bank debt, net of working capital deficiency</b>		\$ 3,878,372
<b>Shareholders' equity</b>		\$ 62,212,181
<b>Production</b>		
Oil (bbls/d)		904
Natural gas (mmcf/d)		4,642
Combined (BOE/d)		1,678
<b>Realized sales prices</b>		
Oil (\$/bbl)	\$	\$ 36.27
Natural gas (\$/mcf)	\$	\$ 7.09
Combined (\$/BOE)	\$	\$ 39.16
<b>Operating netbacks</b>		
Oil (\$/bbl)	\$	\$ 23.00
Natural gas (\$/mcf)	\$	\$ 4.51
Combined (\$/BOE)	\$	\$ 24.87
<b>Undeveloped land</b>		
Gross acres		145,700
Net acres		70,736

For the nine months ended September 30, 2003, Celtic's production averaged 1,678 BOE/d, comprised of 904 barrels per day of oil and 4,642 thousand cubic feet per day of natural gas. Production for the third quarter of 2003 was 2,130 BOE/d, up 37% from 1,551 BOE/d in the second quarter of 2003. Celtic's growth in production volumes in the third quarter reflects the acquisition of certain assets located in Alderson, Bow Island and Drumheller in southern Alberta, Ashmont in east central Alberta and Utikuma in northern Alberta. With new production coming on-stream as a result of recent drilling success, Celtic expects to show strong production growth in the fourth quarter of 2003.

Average prices received during the nine-month period ended September 30, 2003 were \$36.27 per barrel for oil sales and \$7.09 per thousand cubic feet for natural gas sales. During the three-month period ended September 30, 2003, average prices received for sales were \$35.17 per barrel for oil and \$5.99 per thousand cubic feet for natural gas.

Oil and gas revenue, before royalties, for the nine months ended September 30, 2003 was \$17.9 million. Royalties during this period were \$3.3 million, averaging 18.4% of sales. During the three-month period ended September 30, 2003, oil and gas revenue was \$6.9 million, up 30% from \$5.3 million in the second quarter of 2003.

For the nine-month period ended September 30, 2003, production expenses were \$3.3 million (\$7.12 per BOE), general and administrative expenses were \$0.6 million (\$1.25 per BOE), interest expense was \$0.2 million, and depletion and depreciation expenses were \$6.2 million (\$13.62 per BOE). For the three months ended September 30, 2003, production expenses were \$1.4 million (\$6.89 per BOE), general and administrative expenses were \$0.2 million (\$1.19 per BOE), interest expense was \$0.1 million, and depletion and depreciation expenses were \$2.6 million (\$13.24 per BOE).

#### **PROPERTY ACQUISITION**

On September 1<sup>st</sup>, 2003, Celtic completed the acquisition of a new property at Fox Creek. This Beaverhill Lake property was producing approximately 200 BOE/d of 48° API oil and natural gas. After the re-completion of a suspended well, production was increased to 350 BOE/d. Celtic is currently drilling the first of two horizontal re-entry wells into the pool. The Company has a 100% working interest in the Fox Creek property.

#### **OPERATING ACTIVITY**

During the quarter, Celtic was active in most of its operating areas, drilling eight new wells and completing two re-entry wells. At Bow Island, Celtic drilled three wells early in the third quarter, followed by two additional wells at the end of the quarter. Results were three oil wells, one water injector, and one dry and abandoned. McGregor saw a 100% owned natural gas well drilled which is now on production as is an oil well which was drilled at the same time at Princess. At Kakwa, the Company continued to be active with a natural gas well being drilled and a re-entry well being completed and put on production. Two wells are currently being tied in and should be on production prior to year-end.

At Joffre, Celtic re-entered and re-completed a well in the Ostracod formation which tested economical natural gas rates. Since the end of the third quarter, the Company remained active in the Joffre area with a second Ostracod well being drilled and a horizontal Leduc test currently drilling. These wells are expected to be put on production by the end of the year.

In the Ashmont area, several re-completions and additional compression resulted in this shallow natural gas area showing increased production rates from approximately 100 BOE/d to over 250 BOE/d. Drilling on this property will commence early in 2004.

#### **OUTLOOK**

Celtic continues to remain well-positioned financially and operationally and expects to show significant gains in production during the fourth quarter of 2003. Common shares of the Company trade on the Toronto Stock Exchange under the symbol "CLT".

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