



## **PRESS RELEASE**

(Stock Symbol "CLT" - TSX)

February 27, 2007

**Calgary Alberta**

### **CELTIC CLOSES \$24.975 MILLION FLOW-THROUGH FINANCING**

Celtic Exploration Ltd. ("Celtic") has closed its previously announced private placement of 1.5 million common shares issued as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) at a price of \$16.65 per share for gross proceeds of \$24.975 million, on a bought deal basis. The common shares are subject to a four month hold period which expires on June 28, 2007. FirstEnergy Capital Corp. acted as lead underwriter of a syndicate of underwriters which was also comprised of BMO Nesbitt Burns Inc., GMP Securities L.P., TD Securities Inc., Orion Securities Inc., Peters & Co. Limited, Tristone Capital Inc., Canaccord Capital Corporation and RBC Dominion Securities Inc.

Net proceeds from the private placement will be used to finance a portion of Celtic's capital expenditure program which Celtic expects will be spent in 2007. Celtic's 2007 capital expenditure program has now been increased from \$130 million to \$140 million.

#### **Advisory Regarding Forward-Looking Statements**

The information with respect to Celtic contained herein, 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.

The common shares of Celtic trade on the Toronto Stock Exchange under the symbol "CLT" and after this issuance Celtic has approximately 33.8 million common shares issued and outstanding.

For further information, please contact.

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