



**PRESS RELEASE**

(Stock Symbol “CLT” – TSX)

April 30, 2008

Calgary, Alberta

**CELTIC COMPLETES PROPERTY ACQUISITION AT KAYBOB AND PROVIDES NEW 2008 GUIDANCE**

Celtic Exploration Ltd. (“Celtic” or the “Company”) has closed its previously announced acquisition of certain liquids-rich natural gas assets located in the Company’s core operating and producing area at Kaybob South, Alberta, for an adjusted closing price of \$45.2 million.

Description of Assets Acquired

- Kaybob South Beaverhill Lake Unit 1 (9.3% interest);
- Kaybob South Beaverhill Lake Unit 2 (11.5% interest) - currently operated by Celtic, with a pre-acquisition interest of 49.9%;
- Kaybob South Beaverhill Lake Unit 3 (10.2% interest);
- Various interests in non-unit properties located at Kaybob South T58-62 R18-20 W5, including Montney and Nordegg rights in certain sections.

Key Attributes and Acquisition Metrics

Celtic retained Sproule Associates Limited (“Sproule”) to evaluate the assets acquired. The evaluation was effective January 1, 2008 (the effective date of the acquisition) and was adjusted by way of a computer re-calculation to a new effective date of April 30, 2008. A summary of reserves contained in the report is shown in the table below:

	Proved Developed Producing	Total Proved	Proved plus Probable
<b>Reserves</b>			
Natural gas (MMCF)	10,222	11,605	17,688
Oil & NGLs (MBBLs)	804	920	1,421
Combined (MBOE)	2,507	2,854	4,369
Reserve life index (years)	7.4	7.5	10.5
<b>Forecast May-Dec 2008 Production</b>			
Combined (BOE/d)	928	1,042	1,140
<b>Acquisition Metrics</b>			
Cost of reserves (\$/BOE)	\$18.03	\$15.84	\$10.35
Cost of production (\$/BOE/d)	\$48,707	\$43,378	\$39,649

Minor Properties Divestiture

Celtic has entered into agreements to divest certain minor properties including reserves and facilities in three separate transactions. The Company has completed two transactions and expects to close the third transaction on or about May 22, 2008. Proved plus probable reserves relating to assets that will be sold, in

aggregate, amount to approximately 94,000 BOE and associated production was approximately 33 BOE per day. In exchange, the Company expects to receive in aggregate cash proceeds of \$3.2 million and certain interests in lands at Kaybob and Windfall, in west central Alberta.

### New Banking Arrangements

Celtic has entered into a term credit agreement on a syndicated basis with four financial institutions including National Bank of Canada, as the lead lender. The amount available under this new credit facility is \$200.0 million with a maturity date of June 30, 2009.

In addition, the Company has entered into a two-year interest rate swap transaction whereby \$80.0 million of borrowings under its existing credit facility has been fixed at an all-in cost of approximately 4.4% until maturity on April 22, 2010.

### New 2008 Guidance

After giving effect to the aforementioned acquisition and minor properties disposition, and giving effect to an increased capital expenditure drilling budget in 2008, Celtic plans to spend \$180.0 million (net) in 2008, up from \$120.0 million, previously estimated. As a result, the Company expects production in 2008 to average in a range from 11,300 to 11,500 BOE per day, up from the previous estimate of 10,500 to 10,700 BOE per day. Celtic expects to exit 2008 with production of approximately 13,000 BOE per day.

With the recent strength in commodity prices, Celtic has increased its forecasted commodity price assumptions for 2008. Oil prices are estimated to average US\$96.00 (previously US\$84.00) per barrel for WTI and natural gas prices are forecasted to average US\$9.75 (previously US\$8.50) per MMBTU for NYMEX and \$8.76 (previously \$7.50) per MCF for AECO. The Company's forecasted 2008 average US/Canadian exchange rate remains unchanged at US\$1.000.

After giving effect to the new production and commodity price assumptions, funds from operations for 2008 is estimated to be approximately \$138.0 million or \$3.48 per share (\$3.40 per share, diluted); up from the previous estimate of \$120.0 million or \$3.19 per share (\$3.11 per share, diluted). Net earnings for 2008 are estimated to be approximately \$29.0 million or \$0.73 per share (\$0.71 per share, diluted); up from the previous estimate of \$19.5 million or \$0.52 per share (\$0.51 per share, diluted). Changes in forecasted commodity prices and variances in production estimates can have a significant impact to estimated funds from operations and net earnings. Please refer to the advisory regarding forward-looking statements shown below.

Bank debt, net of working capital, is estimated to be \$137.0 million by the end of 2008 or approximately 0.8 times annualized exit 2008 funds from operations. Using the same commodity price assumptions as 2008, estimated annualized funds from operations based on an exit production rate of 13,000 BOE per day, would be \$176.5 million or \$4.34 per share (\$4.25 per share, diluted).

### Updated Net Asset Value

Celtic has re-run its December 31, 2007 independent corporate engineering evaluation based on Sproule's March 2008 forecasted commodity prices. Using this evaluation and taking into consideration the value for the assets acquired in the transaction mentioned above and after giving effect to the recent equity issue completed earlier in April, Celtic's net asset value, based on the present value of reserves discounted at 8% before tax, is calculated to be \$15.03 per share. In this calculation, Celtic's reserves at December 31, 2007 have not been reduced for January to April 2008 production and new reserve additions resulting from capital expenditures incurred from January to April 2008 have not been added.

Prices used in the Sproule evaluation assume 2008 WTI oil averages US\$101.71 per barrel, NYMEX natural gas averages US\$9.90 per MMBTU and AECO natural gas averages \$8.85 per MMBTU. Subsequent to 2008, future forecasted commodity prices in the Sproule reports are lower than those used

in 2008. The valuations in the Sproule reports do not take into consideration the significant premiums that Celtic has recently been receiving for its condensate and sulphur production.

#### Annual General Meeting

Celtic's Annual Meeting of shareholders is scheduled for today, Wednesday, April 30, 2008 at 3:00 p.m., to be held at The Metropolitan Centre, 333 Fourth Avenue SW, Calgary, Alberta. At this meeting, Celtic will provide a presentation with more details relating to the Company's new 2008 guidance. This presentation will also be posted on our website at [www.celticex.com](http://www.celticex.com).

#### 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. Celtic does not intend, and does not assume any obligation, to update or revise these forward-looking statements except as required pursuant to applicable securities laws.

#### Measurements

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.

For further information, please contact:

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