



PRESS RELEASE

(Stock Symbol “CLT” - TSX)

May 30, 2006

Calgary Alberta

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CELTIC CLOSES \$26.3 MILLION EQUITY FINANCING

Celtic Exploration Ltd. (“Celtic”) announces that it has closed its previously announced private placement of two million common shares (including 500,000 common shares issued pursuant to an over-allotment option granted to the underwriters) at a price of \$13.15 per share for gross proceeds of \$26.3 million, on a bought deal basis. The common shares are subject to a four month hold period which expires on October 1, 2006. FirstEnergy Capital Corp. acted as lead underwriter of a syndicate of underwriters which was also comprised of BMO Nesbitt Burns Inc., Canaccord Capital Corporation, GMP Securities L.P., Orion Securities Inc., TD Securities Inc. and Tristone Capital Inc.

Net proceeds from the private placement will be used to finance Celtic’s on-going capital expenditures, including the development drilling opportunities created at Kaybob South, Alberta.

Advisory Regarding Forward-Looking Statements

The information with respect to Celtic contained herein, in respect of the use of the net proceeds from the private placement, 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 31.1 million common shares issued and outstanding.

This news release does not constitute an offer to sell or a solicitation of any offer to buy the common shares in the United States. The common shares have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.

For further information, please contact.

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