



PRESS RELEASE

(Stock Symbol "CLT" - TSX)

March 31, 2011

Calgary, Alberta

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CELTIC EXPLORATION LTD. CLOSSES \$101.5 MILLION BOUGHT DEAL EQUITY FINANCING

Celtic Exploration Ltd. ("Celtic" or the "Corporation") announces that it has closed its previously announced equity financing by way of a short form prospectus on a bought deal basis by completing the sale of 5,000,000 common shares at a price of \$20.30 per share, resulting in gross proceeds of \$101.5 million. The offering was completed through a syndicate of underwriters co-led by FirstEnergy Capital Corp. and RBC Capital Markets and including Cormark Securities Inc., GMP Securities L.P., Peters & Co. Limited, CIBC World Markets Inc., Macquarie Capital Markets Canada Ltd., National Bank Financial Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Stifel Nicolaus Canada Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the "**Underwriters**"). After the issuance of the foregoing, Celtic has approximately 96.5 million common shares issued and outstanding. Pursuant to the offering, the Underwriters have the option, exercisable for a period ending 30 days following closing of the offering, to purchase up to an additional 750,000 common shares at the same offering price which, if exercised in full, would increase the total gross proceeds to \$116.7 million.

Net proceeds from the offering will initially be used to temporarily reduce indebtedness under existing credit facilities, which may be subsequently redrawn and applied as needed to fund the Corporation's 2011 capital exploration and development program and for general corporate purposes.

This press 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.

Advisory Regarding Forward-Looking Statements

Certain information with respect to Celtic contained herein, including the anticipated use of proceeds of the offering, 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.

For further information, please contact:

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