

Press Release – November 27, 2017

**VALEURA ANNOUNCES POSITIVE INTERIM PRODUCTION TEST RESULTS AND CONFIRMS
NATURAL GAS AND CONDENSATE DISCOVERY AT THE YAMALIK-1 WELL**

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to report positive interim production test results at the **Yamalik-1** exploration well in Turkey and to confirm Yamalik as a natural gas and condensate discovery.

Yamalik-1 is the first deep exploration well drilled under Phase 1 of the Banarli farm-in agreement with its partner Statoil Banarli Turkey B.V. and is the Corporation's first test of the deep, basin-centred gas potential in the Thrace Basin of northwest Turkey. The well was drilled through over-pressured formations below 2,500 metres to a total drilled depth of 4,196 metres. A comprehensive 60-day testing program commenced in early November 2017 comprising four planned production tests with two frac stages per test interval (eight stages in total), starting at the bottom of the well.

The first of the four planned production tests has been successfully completed in the Kesan formation. Two slick-water fracs were completed in the first production test interval to access approximately 15 metres of indicated net gas pay over a depth interval from 3,996 to 4,147 metres. After establishing steady flow, the well was produced continuously for 44 hours through a range of choke sizes and was concluded on November 25, 2017. Over the final 24 hours of the test the well was produced at an average restricted rate of approximately 0.8 million cubic feet per day ("**MMcf/d**") of natural gas and 60 to 70 barrels per day of 56° API gravity condensate (70 to 80 barrels per MMcf). At the end of the test, the well was still cleaning up.

This 44-hour flow period for the first production test was viewed as sufficient for preliminary internal evaluation purposes. As disclosed previously, if the aggregate production tests are sufficiently positive, it is planned to tie-in Yamalik-1 to Valeura's existing pipeline and facility infrastructure to enable a long term production test and to generate gas and liquids sales.

(See advisories below regarding initial production rate disclosure)



The estimated initial bottom hole pressure in the well is in the range of 10,700 to 11,200 pounds per square inch ("**psi**") based on a preliminary analysis of a diagnostic fracture injection test carried out in advance of the first stage frac. This pressure is higher than estimated from mud weights during drilling and represents a pressure gradient from surface of 0.80 to 0.84 psi/ft (18.1 to 19.0 kilopascals per metre) or 85 to 94% higher than a normal water pressure gradient.

Although the Corporation had previously advised that aggregate test results would be disclosed at the end of the test program after all four planned production tests were completed, these interim production test results have exceeded expectations and are viewed as material to the Corporation. The results are also encouraging given that this first production test was in the deepest and lowest porosity test interval. Additionally, the test only accessed approximately

10% of the planned total net pay to be production tested in the well. The condensate content of the gas was also much higher than expected and is a significant value addition to any future on-stream sales.

These positive interim production test results have increased the likelihood that Yamalik-1 will be tied in at the conclusion of the testing program. Accordingly, the Corporation is commencing engineering and design work to be positioned for a timely tie-in. Any future sales from Yamalik-1 will benefit from strong commodity prices in Turkey. In Q3 2017, the Corporation's realized prices for natural gas and liquids were \$6.98 per thousand cubic feet and \$65.16 per barrel, respectively.

The Yamalik-1 testing program is continuing and a bridge plug has been set above the first test interval prior to executing a planned two-stage frac in the second test interval at a depth of approximately 3,950 metres.

ABOUT THE CORPORATION

Valeura Energy Inc. is a Canada-based public company currently engaged in the exploration, development and production of petroleum and natural gas in Turkey.

OIL AND GAS ADVISORIES

The short production test rates disclosed in this news release are preliminary in nature and may not be indicative of stabilized on-stream production rates. Initial on-stream production rates are typically disclosed with reference to the number of days in which production is measured. Initial on-stream production rates are not necessarily indicative of long-term performance or ultimate recovery. To date, shallow gas conventional wells and fraced unconventional tight gas wells have exhibited relatively high decline rates at more than 50% and 75%, respectively, in their first year of production. All natural gas rates and volumes are presented net of any load fluids.

A pressure transient analysis or well-test interpretation has not been carried out in respect of the production test on the Yamalik-1 well.

ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements and information (collectively referred to herein as "**forward-looking information**") including, but not limited to: the design and extent of the testing program for Yamalik-1; the expected timeline for the Yamalik-1 testing program and likelihood the well will be tied in; the potential for a basin-centered gas accumulation ("BCGA") play and its extent; and the potential value addition of liquids production in any future on-stream sales. Forward-looking information typically contains statements with words such as "anticipate", "estimate", "expect", "target", "potential", "could", "should", "would" or similar words suggesting future outcomes. The Corporation cautions readers and prospective investors in the Corporation's securities to not place undue reliance on forward-looking information, as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Corporation.

Forward-looking information is based on management's current expectations and assumptions regarding, among other things: political stability of the areas in which the Corporation is operating and completing transactions, and in particular the aftermath of the July 2016 failed coup attempt in Turkey and April 2017 constitutional referendum; continued safety of operations and ability to proceed in a timely manner; continued operations of and approvals forthcoming from the Turkish government in a manner consistent with past conduct; the prospectivity of the deep potential; and the continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. Although the Corporation believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect.

Forward-looking information involves significant known and unknown risks and uncertainties. Exploration, appraisal, and development of oil and natural gas reserves are speculative activities and involve a significant degree of risk. A number of factors could cause actual results to differ materially from those anticipated by the Corporation including, but not limited to: uncertainty regarding the contemplated timelines for the Yamalik-1 testing program and possible tie-in; the risks of disruption to operations and access to worksites, threats to security and safety of personnel and potential property damage related to political issues, terrorist attacks, insurgencies or civil unrest in Turkey; political stability in Turkey, including potential changes in Turkey's constitution, political leaders or parties or political turmoil; the uncertainty regarding government and other approvals; counterparty risk; potential changes in laws and regulations; and, risks associated with weather delays and natural disasters. The forward-looking information included in this news release is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date hereof and Valeura assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law. See Valeura's 2016 AIF for a detailed discussion of the risk factors.

Additional information relating to Valeura is also available on SEDAR at www.sedar.com

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