VALEURA ANNOUNCES SECOND QUARTER 2018 RESULTS AND RESTART OF OPERATIONS AT YAMALIK-1

Calgary, August 8, 2018: Valeura Energy Inc. (TSX:VLE) ("**Valeura**" or the "**Company**") is pleased to report its financial and operating results for Q2 2018 and the restart of operations at the Yamalik-1 well. Yamalik production testing is the first step in the Company's appraisal of its unconventional gas discovery in Turkey, which has been evaluated by DeGolyer and MacNaughton to hold 10.1 trillion cubic feet of estimated working interest unrisked mean prospective resources of natural gas.

Financial and Operating Highlights for Q2:

- **Yamalik-1:** Preparations for the Yamalik-1 long-term production test progressed smoothly throughout the quarter, including sourcing and importing suitable production testing equipment and constructing a pipeline to tie the well in to Valeura's gathering and processing infrastructure. All required equipment is now onsite and operations have resumed.
- **BCGA appraisal drilling**: Permitting of multiple well locations was completed in the quarter and procurement activities for the three well appraisal drilling program progressed on plan for a spud of the first well, Inanli-1, around the end of Q3 2018. Well site construction has commenced and the rig is currently being mobilized. The Company also selected the second appraisal well, Devepinar-1, which will be located in the West Thrace Lands 18km west of Yamalik-1.
- **Conventional gas:** The Company's shallow, conventional gas play continued to provide a modest, reliable production stream of 736 boe/d average production, generating revenue of C$2.9 million. The Company drilled the Karanfiltepe-7 commitment well, which was a gas discovery and is now tied in and producing.
- **Balance Sheet:** Valeura's Balance Sheet remained strong throughout the quarter, with an ending working capital position of C$60.3 million.

"We have had an exciting quarter as the team prepares to begin appraisal operations on our 10 Tcf gas discovery in Turkey," said Sean Guest, President and CEO, "I am very pleased to have our operations team back at work on the Yamalik-1 well, and look forward to seeing the results of our production testing in the coming weeks and months. In addition, we have made great progress in preparing for the appraisal drilling program. All permits, approvals, and major contracts are in place with a plan to spud the first well, Inanli-1, at the end of Q3 2018."

"Our balance sheet remains in excellent shape, with enough working capital to see us through our share of the appraisal of the unconventional basin-centered gas accumulation (BCGA). Additionally, recent moves by Turkey's regulators to again increase Turkish gas prices has offset weakening in the Turkish Lira and continues to demonstrate that our selling price of natural gas in Turkey should remain approximately in line European import prices. This gives us more confidence than ever in the long-term value of our unconventional gas resources in Turkey."

FINANCIAL AND OPERATING RESULTS SUMMARY

Table 1 Financial Results Summary

	Three Months Ended June 30, 2018	Three Months Ended March 31, 2018	Six Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2017
Financial (thousands of CDN$ except share and per share amounts)					
Petroleum and natural gas revenues	2,949	3,469	6,418	3,764	6,852
Adjusted funds flow (used) (1)	461	545	1,006	959	(1,924)
Net loss from operations	(1,404)	(2,435)	(3,839)	(526)	(2,527)
Exploration and development capital	1,128	874	2,002	4,011	5,943
Acquisitions	-	-	-	-	21,450
Dispositions	-	-	-	(3,973)	(26,288)
Net working capital surplus	60,296	58,824	60,296	8,618	8,618
Cash	55,945	56,899	55,945	9,903	9,903
Common shares outstanding					
Basic	86,136,988	83,675,321	86,136,988	73,148,321	73,148,321
Diluted	90,983,320	90,973,321	90,983,320	79,731,821	79,731,821
Share trading					
High	5.82	8.27	8.27	0.85	1.00
Low	3.97	3.30	3.30	0.62	0.62
Close	4.78	4.14	4.78	0.70	0.70
Operations					
Production					
Crude oil (barrels ("**bbl**")/d)	9	15	12	9	6
Natural Gas (one thousand cubic feet ("**Mcf**")/d)	4,360	5,066	4,711	5,550	5,189
boe/d (@ 6:1)	736	859	797	934	871
Average reference price					
Brent ($ per bbl)	96.23	84.56	90.32	66.63	68.82
BOTAS Reference ($ per Mcf) (2)	7.33	7.49	7.48	7.47	7.29
Average realized price					
Crude oil ($ per bbl)	95.77	82.61	87.59	68.39	69.64
Natural gas ($ per Mcf)	7.24	7.37	7.31	7.34	7.21
Average Operating Netback ($ per boe @ 6:1) (1)	22.53	25.34	24.05	22.38	25.26

Notes:

See the Company's 2018 management's discussion and analysis filed on SEDAR for further discussion.

(1) The above table includes non-IFRS measures, which may not be comparable to other companies. Adjusted funds flow is calculated as net income (loss) for the period adjusted for non-cash items in the statement of cash flows. Operating netback is calculated as petroleum and natural gas sales less royalties, production expenses and transportation costs.

(2) Boru Hatlari ile Petrol Tasima Anonim Sirketi ("**BOTAS**") regularly posts prices and its Level-2 Wholesale Tariff benchmark is shown herein as a reference price. See the Company's 2017 annual information form (the "**2017 AIF**") filed on SEDAR for further discussion.

Net petroleum and natural gas sales in Q2 2018 averaged 736 boe/d, which was 14% lower than Q1 2018 and 21% lower than the same period last year. While Valeura continues to manage its production operations including activities such as selective low-cost workovers, well abandonments, and drilling the Karanfiltepe -7 commitment well in its conventional gas fields, the Company is focusing its technical efforts and its capital allocation on appraisal of its BCGA play.

Adjusted funds flow for Q2 2018 was $0.5 million compared to $1.0 million for the same period in 2017. The decrease in adjusted funds flow in Q2 2018 was primarily due to lower revenues caused by lower production volumes partially offset by decreased production costs. Lower production is the result of significantly reduced drilling activity on the shallow conventional gas play in 2018 while the focus remains on the BCGA unconventional play.

Net loss from operations was $1.4 million for Q2 2018, compared to a loss of $2.4 million in Q1 2018 and a loss of $0.5 million in Q2 2017. The net loss is due to non-cash items including depletion and depreciation, accretion on decommissioning liabilities, share based compensation and deferred tax expense.

2018 OUTLOOK

Valeura is fully focused on appraising and de-risking its BCGA discovered by the Yamalik-1 well. The objective of the 2018 and 2019 work program is to demonstrate that over-pressured gas is pervasive across Valeura's Thrace Basin lands and to show that commercial flow rates can be achieved. The key activities to support this objective are the tie-in and long-term testing of the Yamalik-1 well and a three well appraisal program.

The Company has sourced production test equipment appropriate for the flow back of the Yamalik-1 well post fracing. All required equipment has now arrived on the Yamalik-1 well site and operations have commenced. Assuming a successful test, the well will be immediately completed and tied in to Valeura's gas infrastructure, with production sold to Valeura's existing customers. The pipeline was completed and commissioned in advance of testing operations, so as to eliminate the need for gas flaring during the long-term test.

Inanli-1 is the first well in the appraisal drilling program and is planned to be drilled to a depth of 5,000m. The well location is 6 km northeast of Yamalik-1 and has been selected to target an area of the play interpreted to have more natural fracturing of the reservoir than Yamalik-1. All government permits have been received for the well location and construction of the well pad has commenced. KCA Deutag will provide a 2,000hp drilling rig for the three-well campaign and it is currently being mobilized to Turkey with expected arrival at the end of August. Other key long-lead items have been procured, with all equipment and services planned to be available for a spud of the well around the end of Q3 2018. Valeura is planning an extensive data acquisition program for the well, including more than 300m of core. The well is expected to take approximately 80 days to drill and case for testing. Results of the well are expected in the second half of Q4 2018. With success, Inanli-1 will be fraced and flow tested in Q1 2019. Equinor will fund the drilling and testing of Inanli-1 which will fulfill their earning obligations under the Banarli farm-in agreement.

Valeura and its partners have selected Devepinar-1 as the second well in the appraisal campaign. This well will be drilled approximately 18km west of Yamalik-1. The location was selected as a significant step out from the Yamalik and Inanli sites to prove that the BCGA play is pervasive across to the west margin of the basin. Government permits have been received for the well location. Seven additional well locations have been approved by the government as potential sites for the third well.

In the shallow, conventional gas production play, subsequent to the end of Q2, the Company completed the tie-in of the Karanfiltepe-7 well which was a gas discovery. The Company is also continuing with its plan of selective low-cost workovers throughout the conventional play, to slow the natural decline from the existing fields.

In all its activities, the Company remains committed to continuing its safe operations and ensuring that operational and administrative functions are conducted in the most cost-efficient way.

ABOUT THE COMPANY

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

Boes

A boe is determined by converting a volume of natural gas to barrels using the ratio of 6 Mcf to one barrel. boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Further, a conversion ratio of 6 Mcf:1 boe assumes that the gas is very dry without significant natural gas liquids. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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: Valeura's view that it has discovered a world-class unconventional gas play; the costs, timelines and objectives for the deep drilling and BCGA appraisal program in 2018 and 2019; the timing, cost and construction to tie-in and conduct a long term production test and achieve natural sales from the Yamalik-1 well; the timing of the spudding of the Inanli-1 well;; the potential for a BCGA play in the Thrace Basin; the timing and completion of the delineation drilling campaign and related procurement activities (including the anticipated rig contract); management's belief regarding the potential of the Company's deep BCGA play and shallow gas business in the Thrace Basin; Valeura's commitment to safety and optimizing operational and administrative functions; Valeura's business strategy and outlook; the use of proceeds from the financing that closed on March 1, 2018 and the ability to finance future developments. 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 Company cautions readers and prospective investors in the Company'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 Company.

Forward-looking information is based on management's current expectations and assumptions regarding, among other things: political stability of the areas in which the Company is operating and completing transactions; 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; future seismic and drilling activity on the expected timelines; the prospectivity of the deep BCGA and shallow gas plays on the TBNG joint venture lands and Banarli licences; the continued favourable pricing and operating netbacks in Turkey; future production rates and associated operating netbacks and cash flow; future sources of funding; future economic conditions; future currency exchange rates; the ability to meet drilling deadlines and other requirements under licences and leases; and the Company's continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. In addition, the Company's work programs and budgets are in part based upon expected agreement among joint venture partners and associated exploration, development and marketing plans and anticipated costs and sales prices, which are subject to change based on, among other things, the actual results of drilling and related activity, availability of drilling, fracing and other specialized oilfield equipment and service providers, changes in partners' plans and unexpected delays and changes in market conditions. Although the Company 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. A number of factors could cause actual results to differ materially from those anticipated by the Company including, but not limited to: the risks of currency fluctuations; changes in gas prices and netbacks in Turkey; uncertainty regarding the contemplated timelines for the timelines and costs for the deep evaluation in 2018 and 2019; 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 political leaders or parties or a resurgence of a coup or other political turmoil; the uncertainty regarding government and other approvals; counterparty risk; potential changes in laws and regulations; and the risks associated with weather delays and natural disasters; the risk associated with international activity. 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 the 2017 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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