*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), the state securities laws of any state of the United States, and, accordingly, may not be offered, sold or delivered, directly or indirectly, within the United States (as such term is defined in Regulation S under the U.S. Securities Act), except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of these securities within the United States. See "Plan of Distribution".*

*This document is only being and may only be distributed to and directed at, and the Offering (as defined herein) is only being and may only be made to: (i) persons outside the United Kingdom of Great Britain and Northern Ireland (the "**UK**"); or (ii) persons in the UK who are both (a) a "qualified investor" within the meaning of Section 86(7) of the UK Financial Services and Markets Act 2000 (the "**FSMA**") acting as principal or in circumstances to which Section 86(2) of FSMA applies, and (b) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as "relevant persons" and each a "relevant person"). The Offered Shares (as defined herein) are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. By accepting a copy of this short form prospectus and by offering to acquire Offered Shares, potential investors in the UK will be deemed to have represented that they satisfy the criteria specified in paragraph (ii) above to be a relevant person. Any person who is not a relevant person should not act or rely on this short form prospectus or any of its contents. This short form prospectus has not been approved as a prospectus by the UK Financial Conduct Authority (the "**FCA**") under Section 87A of the FSMA and has not been filed with the FCA pursuant to the UK prospectus rules nor has it been approved by London Stock Exchange plc or a person authorized under the FSMA for the purposes of Section 21 of the FSMA. See "Plan of Distribution".*

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Valeura Energy Inc. at its head office at Suite 1200, 202 - 6th Avenue S.W., Calgary, Alberta, T2P 2R9, telephone: (403) 930-1151 and are also available electronically on SEDAR at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue **February 22, 2018**

valeura energy inc.

$60,003,900
10,527,000 Common Shares

$5.70 per Common Share

This short form prospectus (the "**short form prospectus**") qualifies the distribution of 10,527,000 common shares (the "**Offered Shares**") of Valeura Energy Inc. ("**Valeura**") at a price of $5.70 per Offered Share (the "**Offering**"). See "*Plan of Distribution*" and "*Details of the Offering*".

The issued and outstanding common shares (the "**Common Shares**") of Valeura are listed on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "VLE". On February 7, 2018, the last trading day on the TSX prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was $6.27 per Common Share and on February 21, 2018, the last full trading day on the TSX prior to the filing of this short form prospectus, the closing price of the Common Shares on the TSX was $5.43 per Common Share. The TSX has conditionally approved the listing of the Offered Shares. Listing of the Offered Shares on the TSX is subject to Valeura fulfilling all of the listing requirements of the TSX on or prior to May 15, 2018.

The terms of the Offering were determined by negotiation between Valeura and GMP Securities L.P. (the "**Lead Underwriter**"), on its own behalf and on behalf of Cormark Securities Inc. (together with the Lead Underwriter, the "**Underwriters**").

	Price to Public	**Underwriters' Fee(1)**	**Net Proceeds to Valeura(2)**
Per Common Share	$5.70	$0.342	$5.358
Total	$60,003,900	$3,600,234	$56,403,666

Notes:

(1) Upon closing of the Offering, Valeura will pay the Underwriters a cash commission equal to 6.0% of the gross proceeds of the Offering (the "**Underwriters' Fee**"). See "*Plan of Distribution*".

(2) Before deducting expenses of the Offering, estimated to be $400,000, which will be paid from the general funds of Valeura.

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by Valeura and accepted by the Underwriters in accordance with the conditions contained in the underwriting agreement between Valeura and the Underwriters dated effective February 8, 2018 (the "**Underwriting Agreement**") and subject to approval of certain legal matters on behalf of Valeura by Torys LLP and on behalf of the Underwriters by Burnet, Duckworth & Palmer LLP. See "*Plan of Distribution*".

The Underwriters propose to offer the Offered Shares distributed under this short form prospectus initially at the offering price specified above. **After a reasonable effort has been made to sell all of the Offered Shares distributed under this short form prospectus at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any Offered Shares remaining unsold. Any such reduction shall not affect the net proceeds from the Offering received by Valeura. Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".**

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about March 1, 2018 or such other date as Valeura and the Underwriters may agree, such date not to exceed 42 days after the date of the receipt for this short form prospectus (the "**Closing Date**"). Except in certain limited circumstances: (i) the Offered Shares will be registered and held through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee electronically through the non-certificated inventory ("**NCI**") system of CDS; (ii) no certificates evidencing the Offered Shares will be issued to subscribers; and (iii) subscribers for Offered Shares will receive only a customer confirmation from the Underwriters or another registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares are purchased. Subscribers who are not issued a certificate evidencing the Offered Shares which are subscribed for by them at closing are entitled under the *Business Corporations Act* (Alberta) ("**ABCA**") to request that a certificate be issued in their name. Such a request will need to be made through the CDS participant through whom the beneficial interest in the securities is held at the time of the request.

An investment in the Offered Shares is speculative and involves a high degree of risk. Valeura's business is subject to risks normally encountered in the oil and natural gas industry as well as many additional risks with conducting oil and natural gas operations in Turkey. The risk factors outlined or incorporated by reference in this short form prospectus should be carefully reviewed and considered by prospective subscribers in connection with their investment in the Offered Shares. See "*Forward-Looking Statements*" and "*Risk Factors*".

Investors should rely only on the information contained in this short form prospectus and the documents incorporated by reference herein. Valeura has not authorized anyone to provide investors with different information. Valeura is not offering the Offered Shares in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date of this short form prospectus. Subject to Valeura's obligations under applicable securities laws, the information contained in this short form prospectus is accurate only as of the date hereof regardless of the time of delivery of this short form prospectus or of any sale of the Offered Shares.

Valeura's principal office is located at Suite 1200, 202 - 6th Avenue S.W., Calgary, Alberta, T2P 2R9 and its registered office is located at Suite 4600, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

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GLOSSARY OF TERMS

"**ABCA**" means the *Business Corporations Act*, (Alberta) and the regulations promulgated thereunder, each as amended.

"**AIF**" means the annual information form of Valeura dated March 14, 2017 for the year ended December 31, 2016.

"**Annual Financial Statements**" means the audited consolidated financial statements of Valeura as at and for the years ended December 31, 2016 and 2015, together with the notes thereto and the auditor's report thereon.

"**Annual MD&A**" means the management's discussion and analysis of Valeura as at and for the years ended December 31, 2016 and 2015.

"**Banarli Farm-in**" has the meaning ascribed thereto under the heading "*Recent Developments*".

"**Banarli Licenses**" means two exploration licenses in the Thrace Basin: F18-c1, c2, c3, c4 and F19-d1, d2.

"**Board**" means the board of directors of Valeura.

"**Business Acquisition Report**" means the business acquisition report of Valeura dated May 9, 2017 with respect to Valeura's acquisition of TBNG.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Closing Date**" means March 1, 2018 or such other date as Valeura and the Underwriters may agree, such date not to exceed 42 days after the date of the receipt for this short form prospectus.

"**Common Shares**" means common shares of Valeura.

"**CRBV**" means Valeura's wholly owned affiliate, Corporate Resources BV and its branch in Turkey.

"**D&M**" means DeGolyer and MacNaughton, of Dallas, Texas, reserves and resources evaluator of Valeura.

"**D&M Resources Report**" means the independent evaluation report with respect to Valeura's prospective resources in the Thrace Basin as of December 31, 2017 and dated February 6, 2018 as prepared by D&M.

"**FCA**" means the UK Financial Conduct Authority.

"**forward-looking information**" has the meaning ascribed thereto under the heading "*Forward-Looking Statements*".

"**FSMA**" means the *UK Financial Services and Markets Act 2000* and the regulations promulgated thereunder, each as amended.

"**Information Circular**" means the notice of meeting and information circular of Valeura dated March 23, 2017 for the annual and special meeting of shareholders of Valeura held on May 11, 2017.

"**Lead Underwriter**" means GMP Securities L.P.

"**Material Change Reports**" means, collectively, the material change reports of Valeura dated: (i) January 13, 2017 with respect to the closing of the Banarli Farm-in transaction and the sale of CRBV's interest in the Thrace Basin; (ii) March 6, 2017 with respect to the completion of the TBNG Acquisition and the private placement offering of 14,629,000 subscription receipts of Valeura, which offering closed on November 3, 2016; (iii) January 8, 2018 with respect to the fourth production test in the Kesan formation at the Yamalik-1 exploration well in Turkey; (iv) February 14, 2018 with respect to the D&M Resources Report; and (v) February 14, 2018 with respect to the Offering.

"**MMbbl**" has the meaning ascribed thereto under the heading "*Recent Developments*".

"**MMcf/d**" has the meaning ascribed thereto under the heading "*Forward-Looking Statements*".

“**NCI**” means non-certificated inventory.

“**Offered Shares**” means the Common Shares issuable pursuant to the Offering.

“**Offering**” means the offering of Offered Shares at a price of $5.70 per Offered Share pursuant to this short form prospectus.

“**Option**” has the meaning ascribed thereto under the heading “*Capitalization of Valeura*”.

“**Option Plan**” means the stock option plan of Valeura.

“**Preferred Shares**” has the meaning ascribed thereto under the heading “*Description of Share Capital*”.

“**Q3 2017 Financial Statements**” means the unaudited consolidated interim financial statements of Valeura as at September 30, 2017 and for the three and nine months ended September 30, 2017 and 2016.

“**Q3 2017 MD&A**” means the management’s discussion and analysis of Valeura for the three and nine months ended September 30, 2017 and 2016.

“**RDSP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**RESP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**RRIF**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**RRSP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**short form prospectus**” means this short form prospectus.

“**South Thrace Lands**” has the meaning ascribed thereto under the heading “*Valeura Energy Inc.”* and includes the following 11 production leases in the Thrace Basin: F18-c4-2; F18-c3-1; F19-d4-1; F19-d4-2; F19-d3-1; F19-c3-1; G18-b1-1; G18-b2-1; G19-a1-1; 3860; and 3861.

“**Statoil**” means Statoil Banarli Turkey B.V., a wholly owned affiliate of Statoil ASA.

“**Subsequent West Thrace Deep Rights Sale**” has the meaning ascribed thereto under the heading “*Recent Developments*”.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, each as amended.

“**TBNG**” means Thrace Basin Natural Gas (Turkiye) Corporation, a wholly owned subsidiary of Valeura.

“**TBNG Acquisition**” has the meaning ascribed thereto under the heading “*Recent Developments*”.

“**TBNG JV**” means the operating joint venture among TBNG (a wholly-owned affiliate of Valeura) (41.5% and operator), CRBV (a wholly-owned affiliate of Valeura) (40%) and Pinnacle Turkey, Inc. (a corporation organized pursuant to the laws of the British Virgin Islands and having a branch in Turkey) (18.5%) on lands in the Thrace Basin.

“**Tcf**” has the meaning ascribed thereto under the heading “*Recent Developments*”.

“**TFSA**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*”.

“**Thrace Basin**” means an area of land in the northwest region of Turkey, located west of Istanbul and extending to the Greek and Bulgarian borders.

“**TSX**” means the Toronto Stock Exchange.

“**UK**” means the United Kingdom of Great Britain and Northern Ireland.

"**Underwriters**" means, together, the Lead Underwriter and Cormark Securities Inc.

"**Underwriters' Fee**" means the cash commission equal to 6.0% of the gross proceeds of the Offering payable by Valeura to the Underwriters upon closing of the Offering.

"**Underwriting Agreement**" means the underwriting agreement dated February 8, 2018 between Valeura and the Underwriters in respect of the Offering.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

"**Valeura**" means Valeura Energy Inc.

"**West Thrace Deep Rights Sale**" has the meaning ascribed thereto under the heading "*Recent Developments*".

"**West Thrace Lands**" has the meaning ascribed thereto under the heading "*Valeura Energy Inc.*" and includes three production leases (2926, 3659 and 5122) and two exploration licenses (F17-c2,c3 and F18-d1,d2,d4), all located in the Thrace Basin.

PRESENTATION OF FINANCIAL AND OIL AND GAS INFORMATION

All financial information in this short form prospectus, including the documents incorporated by reference herein, has been prepared in accordance with International Financial Reporting Standards, as adopted by the International Accounting Standards Board, except where otherwise indicated.

This short form prospectus discloses estimates of prospective resources. Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources.

The short production test rates disclosed herein 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, Valeura's 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. Many of these shallow wells are producing from the Teslimkoy and Kesan formations targeted in Yamalik-1, but they are in a different depth and pressure environment and the type curves are not expected to be indicative of Yamalik-1 future production, or any other future deep well. A pressure transient analysis or well-test interpretation has not been carried out in respect of the production tests on the Yamalik-1 well. All natural gas rates and volumes are presented net of any load fluids. Any condensate measurements are subject to considerable uncertainty given the nature of the testing protocol and the short duration of the testing.

Certain other terms used herein but not defined herein are defined in Canadian Securities Administrators Staff Notice 51-324, *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities*.

FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference herein contain certain forward-looking statements and information (collectively referred to herein as "**forward-looking information**") including, but not limited to:

- the use of net proceeds from the Offering;
- the closing of the Offering and the timing thereof;
- the anticipated delineation drilling and development program to exploit the basin-centered gas prospect on Valeura's working interest lands;
- the plans, timelines and cost to tie-in the Yamalik-1 well to conduct a long term production test, establish production type curves and achieve gas sales;
- completion of Phase 3 of the Banarli Farm-in and drilling of the second earning well to be funded by Statoil;
- the ability to target sweet spots in the basin-centered gas prospect and the extent of the prospect;
- the plans to drill to 5,000 metres in the basin-centered gas prospect delineation program and the cost and timeline impacts;
- the capacity of Valeura's existing infrastructure in the Thrace Basin and ability to handle up to 35 million cubic feet ("**MMcf/d**");
- the ability to access other pipeline systems in the Thrace Basin should future production volumes exceed the capacity of Valeura's existing infrastructure;
- the anticipated conventional tight gas development program in the Tekirdag field that underpins Valeura's current probable and possible reserves;
- Valeura's prospective resources in the Thrace Basin of Turkey;
- the final cost and timeline to complete the processing of the Karaca 3D seismic and early fast-track processing step to facilitate planning;
- the preparation and timing of D&M's independent evaluation of Valeura's reserves as at December 31, 2017;

- Valeura's expectation that there will be no material difference between its internal assessment of proved plus probable reserves and the corresponding final D&M reserves amount;
- the potential of a basic-centered gas play in the Thrace Basin;
- management's belief regarding the potential of Valeura's deep basin-centered gas play and shallow gas business in the Thrace Basin;
- Valeura's commitment to safety and optimizing operational and administrative functions;
- Valeura's business strategy, outlook and target exit sales rate;
- the timing for the preparation of Valeura's 2018 work program and budget; 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. Valeura cautions readers and prospective subscribers in Offered Shares 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 Valeura.

Statements related to "reserves" or "prospective resources" are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and prospective resources can be profitably produced in the future. Specifically, forward-looking information contained herein regarding "reserves" and "prospective resources" may include:

- estimated volumes and value of Valeura's oil and natural gas reserves;
- estimated volumes of Valeura's prospective resources; and
- the ability to finance future developments.

Forward-looking information is based on management's current expectations and assumptions regarding, among other things:

- matters relating to the Offering and the impact thereof on the capital of Valeura;
- political stability of the areas in which Valeura 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;
- future seismic and drilling activity on the expected timelines;
- the prospectivity of the TBNG JV lands and Banarli Licenses, including the deep basin-centered gas potential;
- 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 licenses and leases; and
- Valeura's continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner.

In addition, Valeura'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 Valeura 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 Valeura 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 Yamalik-1 tie-in program;
- completion of the Banarli Farm-in program and the basin-centered gas delineation drilling program;
- 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 a resurgence of a coup or other political turmoil;
- the uncertainty regarding government and other approvals;
- counterparty risk;
- potential changes in laws and regulations;
- risks associated with weather delays and natural disasters;
- the risk associated with international activity in the oil and gas industry; and
- the uncertainty regarding the ability to fulfill the drilling commitment on the West Thrace Lands.

See "*Risk Factors*" in this short form prospectus and the AIF and "*Business Risks and Uncertainties*" in the Q3 2017 MD&A.

The forward-looking information contained in this short form prospectus and the documents incorporated by reference herein is made as of the date hereof and Valeura undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained herein is expressly qualified by this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of Valeura are filed with the various securities commissions or similar authorities in the provinces of Canada and are specifically incorporated by reference into and form an integral part of this short form prospectus:

- the AIF;
- the Annual Financial Statements;
- the Annual MD&A;
- the Q3 2017 Financial Statements;
- the Q3 2017 MD&A;
- the Material Change Reports;
- the Information Circular; and
- the Business Acquisition Report.

Any documents of the type required by National Instrument 44-101, *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial conditions and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, filed by Valeura with the securities commissions or similar authorities in Canada subsequent to the date of this short form prospectus and before the termination of the distribution under the Offering are deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any other subsequently filed document which

also is, or is deemed to be, incorporated by reference into this short form prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this short form prospectus.

Information contained or otherwise accessed through Valeura's website, www.valeuraenergy.com or any website, other than those documents specifically incorporated by reference herein and filed on SEDAR at www.sedar.com, does not form part of this short form prospectus.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are utilized by the Underwriters in connection with the Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this short form prospectus.

VALEURA ENERGY INC.

General

Valeura and its subsidiaries are currently engaged in the exploration, development and production of oil and natural gas in Turkey. The Common Shares are traded on the TSX under the trading symbol "VLE".

Valeura's operations are focused on the Thrace Basin in the northwest of Turkey. Valeura currently holds working interests in 21 production leases and exploration licenses covering approximately 0.53 million gross acres (0.43 million net acres of shallow rights and 0.28 million net acres of deep rights).

The Thrace Basin assets include an 81.5% working interest in the shallow rights and deep rights of 11 production leases and exploration licenses (the "**South Thrace Lands**") and an 81.5% (shallow rights) working interest, 31.5% (deep rights) working interest in 3 production leases and 2 exploration licenses (the "**West Thrace Lands**"), and a 100% (shallow rights) and a 50% (deep rights) working interest in the Banarli Licenses. In addition, Valeura holds a 35% working interest in three other production leases (Edirne, Turkey) that currently do not have active operations.

Management believes the Thrace Basin lands have both conventional shallow gas exploration and development potential and unconventional tight gas potential. All or some of the Banarli Licenses, West Thrace Lands and South Thrace Lands are also believed by management to have potential for a basin-centered gas play in over-pressured formations below approximately 2,500 metres. Valeura has recently drilled, completed and flow-tested the Yamalik-1 well on the Banarli Licenses with Statoil. The Yamalik-1 well is a gas-condensate discovery and tested a basin-centered gas play concept.

Valeura is pursuing three key objectives in Turkey:

- in partnership with Statoil, further delineation and development of the deep basin-centered gas play discovered by the Yamalik-1 well;
- continuing to optimize established conventional and unconventional shallow gas assets in the Thrace Basin; and
- fulfilling exploration-focused work programs on exploration licenses in the Thrace Basin (gas targets).

As a result of the success of the Yamalik-1 well, the primary focus of Valeura's business has transitioned from shallow gas drilling to the definition and development of a deep unconventional basin centered resource play. Virtually all of the net proceeds of the Offering will be devoted to advancing its deep resource play. See "*Use of Proceeds*".

More than 99% of Valeura's current production is natural gas from the Thrace Basin, from both conventional and unconventional (tight gas) reservoirs. Valeura continues to work on its shallow gas development program associated with the proved plus probable reserves disclosed herein.

For further details on the business of Valeura, see "*General Development of the Business*" and "*Description of the Business and Operations*" in the AIF.

RECENT DEVELOPMENTS

Banarli Farm-in

On January 6, 2017, Valeura closed the farm-in agreement dated August 19, 2016 between CRBV and Statoil for the exploration of the deeper formations below approximately 2,500 metres on the Banarli Licenses in accordance with the terms and conditions of such agreement (the "**Banarli Farm-in**"). Under the Banarli Farm-in, Statoil was given the option to earn a 50% interest in the deep formations on the Banarli Licenses by investing in a capital program. The actual amount invested by Statoil to earn its 50% interest was required to be at least US$36 million, and may be higher based on the actual agreed costs of the three-phase work program, which includes a cost carry of CRBV on two deep wells and new 3D seismic. Valeura received US$6.0 million in up-front payments as a contribution to back costs incurred on the Banarli Licenses.

Valeura is operator of the deep exploration program during the earning phase of the Banarli Farm-in. Once Statoil has fully earned its 50% working interest, they have the option to request operatorship of the deep program. Valeura retains a 100% interest in the shallow formations in the Banarli Licenses and will remain the operator of the shallow formations.

West Thrace Deep Rights Sale

On January 6, 2017, CRBV completed the sale and purchase agreement (the "**West Thrace Deep Rights Sale**") with Statoil to sell Valeura's 40% participating interest in the deep formations below approximately 2,500 metres depth on the West Thrace Lands, for cash consideration of US$12 million which was received in early January 2017. Following the closing of the West Thrace Deep Rights Sale and the TBNG Acquisition, TBNG entered into a sale and purchase agreement with Statoil to sell an additional 10% participating interest in the deep formations below approximately 2,500 metres depth on the West Thrace Lands, for cash consideration of US$3.0 million (the "**Subsequent West Thrace Deep Rights Sale**") which closed on June 22, 2017. As a result of the Subsequent West Thrace Deep Rights Sale, Valeura retains a 31.5% participating interest and Statoil acquired a 50% participating interest in the deep formations on the West Thrace Lands. Valeura retains an 81.5% participating interest in the shallow formations on the West Thrace Lands. Statoil has the option to request operatorship of the deep program in the West Thrace Lands once they have fully earned their 50% working interest under the Banarli Farm-in.

Valeura has retained an 81.5% participating interest in all formations on the South Thrace Lands.

TBNG Acquisition

On February 24, 2017, Valeura's wholly-owned affiliate, Valeura Energy (Netherlands) B.V. completed the acquisition of 100% of the shares of its joint venture partner in the TBNG JV, TBNG, for US$20.7 million (CAD$27.1 million) (the "**TBNG Acquisition**"). Valeura's participating interest in the shallow rights on the TBNG JV lands thereby increased from 40% to 81.5% and Valeura became the operator.

Yamalik-1 Well

The drilling, completion and testing of the first deep exploration well, Yamalik-1 well was 100% funded by Statoil under the Phase 1 commitments of the Banarli Farm-in.

Yamalik-1 was spudded on May 13, 2017 and was rig released on July 22, 2017. The well was operated by Valeura and drilled to a total depth of 4,196 metres. In November and December 2017, Valeura completed four production tests on the Yamalik-1 well. Two slick-water fracs were performed in each of four different indicated net gas pay zones. The testing program was designed to demonstrate that fracing would allow gas to flow to surface from these deep, tight reservoirs, and without the production of formation water. Both of these factors are key components to demonstrate the presence of a basin-centered gas accumulation. The 24-hour aggregate production test rate from the four production tests in the Kesan formation was 2.9 MMcf/d. Additionally, the gas flowed with a significant amount of condensate (with a test data range of 20 to 70 barrels per MMcf).

Valeura is now proceeding with engineering and design work to enable Yamalik-1 to be tied into Valeura's gas gathering and sales network. Valeura is targeting to recommence operations in Q2 2018. The project is expected be funded jointly by Valeura and Statoil.

Banarli 3D Seismic Program

Under Phase 2 of the Banarli Farm-in, Statoil is required to fully fund a 3D seismic acquisition and processing program. The Karaca 3D seismic program recording stage was carried out between June 18 and September 20, 2017, acquiring approximately 500 square kilometres of 3D seismic. Processing of these data is currently ongoing with delivery of the final data expected around the end of Q1 2018.

D&M Resources Report

On February 6, 2018, Valeura announced summary results of an independent evaluation of its prospective resources in the Thrace Basin of Turkey. Highlights of the D&M Resources Report were 10.1 trillion cubic feet ("**Tcf**") of estimated working interest unrisked mean prospective resources of natural gas, which includes 236 million barrels ("**MMbbl**") of condensate and 5.2 Tcf of estimated working interest risked mean prospective resources of natural gas, which includes 165 MMbbl of condensate. First commercial production of Valeura's prospective resources in the Thrace Basin from the Yamalik-1 well is targeted for Q2 2018 at an anticipated cost of US$3.0 million (gross). Hydraulic fracturing technology is required to evaluate the prospective resources, and Valeura's current development plans with respect to such prospective resources are based on a conceptual study. For further details on the D&M Resources Report, see Valeura's Material Change Report dated February 14, 2018. See "*Presentation of Financial and Oil and Gas Information*".

Valeura also disclosed on February 6, 2018 an internal assessment (non-independent) estimate of proved plus probable reserves, effective December 31, 2017, of 7.8 MMboe and its expectation that the related net present value of future net revenue before-tax will be similar to year-end 2016 as the increase in reserves from the TBNG Acquisition is expected to be mostly offset by a reduction in the forecast gas price. Valeura's internal assessment (non-independent) involved a review of all proved plus probable well decline rates and development program scenarios. D&M is currently preparing their independent evaluation of Valeura's reserves as at December 31, 2017. This information will be released in the normal course in March 2018 in conjunction with the release of Valeura's annual information form for the year ended December 31, 2017. Valeura does not expect any material difference between its internal assessment of proved plus probable reserves and the corresponding final D&M reserves amount given that the fields that comprise the reserves have well established production histories and management's familiarity with the well decline characteristics.

DESCRIPTION OF SHARE CAPITAL

Valeura is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series (the "**Preferred Shares**"). As of February 21, 2018, there were 73,148,321 Common Shares and nil Preferred Shares issued and outstanding.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board, to one vote per Common Share at meetings of the shareholders and, upon liquidation, to receive such assets of Valeura as are distributable to the holders of the Common Shares.

For further details on the Preferred Shares, please refer to the AIF.

CAPITALIZATION OF VALEURA

The following table sets forth the capitalization of Valeura as at September 30, 2017, before and after giving effect to the Offering. This table should be read in conjunction with the Q3 2017 Financial Statements and Q3 2017 MD&A, which have been incorporated by reference in this short form prospectus.

	Authorized	As at September 30, 2017 before giving effect to the Offering	As at September 30, 2017 after giving effect to the Offering[1]
Common Shares[2][3][4]	unlimited	$146,694,305 (73,148,321 Common Shares)	$202,697,971 (83,675,321 Common Shares)
Preferred Shares	unlimited	Nil (Nil Preferred Shares)	Nil (Nil Preferred Shares)

Notes:

(1) After deducting the Underwriters' Fee of $3,600,234 and the expenses of the Offering (estimated to be approximately $400,000).

(2) As at February 21, 2018, Valeura had 73,148,321 Common Shares issued and outstanding.

(3) As at September 30, 2017, Valeura had 6,370,500 options ("**Options**") outstanding pursuant to the Option Plan, with exercise prices ranging from $0.57 to $1.00.

(4) As at February 21, 2018, Valeura had 6,370,500 Option outstanding, with exercise prices ranging from $0.57 to $1.00.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the symbol "VLE". The following table sets forth the price ranges and volume traded of Common Shares as reported by the TSX for the periods indicated.

Period	High	Low	Volume
2017			
February	0.90	0.83	756,937
March	0.87	0.63	2,095,135
April	0.78	0.63	928,181
May	0.85	0.62	1,036,121
June	0.80	0.65	618,514
July	0.72	0.62	890,432
August	0.71	0.52	1,116,294
September	0.56	0.48	971,417
October	0.70	0.42	2,360,588
November	2.28	0.55	11,531,094
December	5.02	2.08	26,374,153
2018			
January	5.89	3.30	13,489,858
February 1 to 21	8.27	5.22	16,116,757

On February 7, 2018, the last trading day on the TSX prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was $6.27 per Common Share and on February 21, 2018, the last trading day prior to the filing of this short form prospectus, the closing price of the Common Shares on the TSX was $5.43.

PRIOR SALES

Valeura has not issued or sold any Common Shares or securities convertible into Common Shares during the 12 months prior to the date hereof other than as set forth below.

Date of Issue/Grant	Number and Designation of Securities	Issue/Exercise Price
February 24, 2017	14,629,000 Common Shares[1]	-
March 17, 2017	1,000,000 Options	$0.73
May 17, 2017	600,000 Options	$0.75
May 31, 2017	150,000 Options	$0.80

Note:

(1) The Common Shares were issued pursuant to subscription receipts issued in connection with the private placement offering of 14,629,000 subscription receipts of Valeura at a price of $0.75 per subscription receipt, which offering closed on November 3, 2016.

USE OF PROCEEDS

The net proceeds to Valeura from the sale of the Offered Shares hereunder are estimated to be $56,003,666 after deducting the Underwriters' Fee of $3,600,234 and the expenses of the Offering (estimated to be $400,000). See "Plan of Distribution". Valeura intends to use the net proceeds from the Offering to fund its 2018 and 2019 capital program, and for general corporate purposes. The capital program outlined below is contingent upon Valeura completing the Offering and receiving the net proceeds therefrom. Valeura's 2018 and 2019 capital program is expected to be almost entirely focused on the deep natural gas exploration operations in Turkey and related development and facilities expenditures. In particular, it is expected that the net proceeds of the Offering will be used as follows to fund Valeura's working interest:

Activity or Nature of Expenditure	Approximate use of Net Proceeds	Anticipated Timing
2018		
Yamalik-1 Completion and Tie-in to Production Facilities	$3,100,000	Q2 2018
Hayrabolu-10 Workover	$2,100,000	Q4 2018
Drill and Test West Thrace #1 Deep Well	$9,500,000	Q4 2018
Facilities Capital and Tie-in for 3 Wells[(1)]	$5,250,000	Q4 2018
G&G and studies on Banarli and West Thrace	$2,000,000	2018
Total 2018	**$21,950,000**	
2019		
Drill and Test Banarli #3 Deep Well	$15,000,000	Q1 2019
Pilot Production Well[(2)]	$10,800,000	2019
Facilities Capital and Tie-in for Banarli #3	$1,750,000	Q1 2019
3D Seismic Program, G&G and studies on Banarli and West Thrace	$5,500,000	2019
Total 2019	**$33,050,000**	
TOTAL:	**$55,000,000**	

Notes:

(1) The three wells are Hayrabolu-10 well, the West Thrace #1 deep well and the Banarli #2 deep well. The Banarli #2 deep well will be funded 100% by Statoil as part of its Phase 3 commitment under the Banarli Farm-in.

(2) The 2019 capital program includes a pilot production well, which would represent the first of several wells in a potential pilot program. The pilot program has not been determined and is contingent on the results of the appraisal wells described above. Therefore, the total funds required to fulfill the entire pilot program is unknown as at the date hereof. In addition, if Statoil exercises its option under the Banarli Farm-in to take operatorship of the deep rights (once its Phase 3 commitments are met and a 50% working interest has been earned), a more significant drilling and pilot well program may be proposed and Valeura will have to seek further capital in order to fund Valeura's share in such revised drilling and pilot well program.

There is a commitment on the West Thrace Lands to drill one well, which can be satisfied by a shallow well. This will be included in the 2018 capital program and will be funded from cash on hand and cash flow from Valeura's operations.

Valeura expects that the use of the net proceeds from the Offering will advance its overall business objectives. See "*Valeura Energy Inc. – General*". Other than obtaining the required approvals to advance its capital program, no significant event needs to occur for Valeura to achieve its business objectives, which remain subject to the normal risks and uncertainties that prevail in the oil and natural gas industry. See "*Forward-Looking Statements*" and "*Risk Factors*".

PLAN OF DISTRIBUTION

General

Pursuant to the Underwriting Agreement, Valeura has agreed to issue and sell an aggregate of 10,527,000 Offered Shares to the Underwriters and the Underwriters have severally, and not jointly or jointly and severally, agreed to purchase such Offered Shares at a price of $5.70 per Offered Share on the Closing Date, subject to compliance with all necessary legal requirements and terms and conditions of the Underwriting Agreement. The Underwriting Agreement provides that Valeura will pay the Underwriters Fee of $0.342 per Offered Share for an aggregate fee payable by Valeura of $3,600,234, in consideration for the Underwriters' services in connection with the Offering. The terms of the Offering were determined by negotiation between Valeura and the Lead Underwriter, on its own behalf and on behalf of the other Underwriter.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint or joint and several and may be terminated at their discretion, on the basis of the occurrence of certain stated events, including but not limited to: (i) there having occurred or be discovered any adverse change, as determined by the Underwriters or either of them in their sole discretion, acting reasonably, in the business, operations, capital or condition (financial or otherwise) of Valeura and the Subsidiaries (as defined in the Underwriting Agreement) (taken as a whole) or the properties, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Valeura and the Subsidiaries (taken as a whole) which in the opinion of the Underwriters or either of them, could reasonably be expected to have a material adverse effect on the market price or value or marketability of the Offered Shares or any other securities of Valeura; (ii) there develops, occurs or comes into effect or existence, any event, action, state, condition or major financial occurrence of national or international consequence or any law, action, regulation or other occurrence of any nature whatsoever, which, in the sole opinion of the Underwriters or either of them, acting reasonably, materially adversely affects or involves, or will materially adversely affect or involve, the financial markets generally or has or will have a material adverse effect or the business, operations or affairs of Valeura and the Subsidiaries (taken as a whole); or (iii) the Underwriters (or either of them) becomes aware of any material information with respect to Valeura, any of the Subsidiaries which had not been publicly disclosed or disclosed in writing to the Underwriters at or prior to the date of the Underwriting Agreement and which in the sole opinion of the Underwriters or either of them, acting reasonably, would be expected to have a Material Adverse Effect (as defined in the Underwriting Agreement) on the market price or value of the Offered Shares or any other securities of Valeura or the marketability of the Offered Shares or any other securities of Valeura. If an Underwriter fails to purchase the Offered Shares which it has agreed to purchase, the other Underwriter may, but is not obligated to, purchase such Offered Shares in accordance with the terms of the Underwriting Agreement. The Underwriters are, however, obligated to take-up and pay for all Offered Shares if any are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that Valeura will indemnify the Underwriters and their directors, officers, agents, shareholders and employees against certain liabilities and expenses.

The TSX has conditionally approved the listing of the Offered Shares. Listing of the Offered Shares on the TSX is subject to Valeura fulfilling all of the listing requirements of the TSX on or prior to May 15, 2018.

Certificates

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Except in certain limited circumstances: (i) the Offered Shares will be registered and held through CDS or its nominee electronically through the NCI system of CDS; (ii) no certificates evidencing the Offered Shares will be issued to subscribers for Offered Shares; and (iii) subscribers for Offered Shares will receive only a customer confirmation from the Underwriters or another registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares are purchased. Subscribers who are not issued a certificate evidencing the Offered Shares which are subscribed for by them at closing are entitled under the ABCA to request that a certificate be issued in their name. Such a request will need to be made through the CDS participant through whom the beneficial interest in the securities is held at the time of the request.

Price Stabilization and Passive Market-Making

Pursuant to applicable securities legislation, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, provided the bid or purchase is not engaged in for the purpose of creating actual or apparent trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted by the by-laws and rules of the TSX relating to market stabilization and passive market-making activities. In connection with the Offering, and subject to the foregoing, the Underwriters may effect transactions which stabilize or maintain the market price of the Common Shares at levels above those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Offered Shares initially at the offering price specified above. After the Underwriters have made a reasonable effort to sell the Offered Shares at the price specified herein, the Underwriters may subsequently reduce the price at which the Offered Shares are offered to subscribers in order to sell any Offered Shares remaining unsold. In the event the offering price of the Offered Shares is reduced, the compensation received by the Underwriters will be decreased by the amount the aggregate price paid by the subscribers for the Offered Shares is less than the gross proceeds paid by the Underwriters to Valeura for the Offered Shares. Any such reduction shall not reduce the proceeds received by Valeura.

Standstill and Lock-Up Agreements

Valeura has agreed that it will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to, issue, sell, offer, grant any option or right in respect of, or otherwise issue, any Common Shares or any securities convertible or exchangeable into Common Shares, other than pursuant to: (i) the Offering; (ii) the issue of Common Shares upon the exercise of convertible securities, Options or warrants outstanding prior to the Closing Date; or (iii) pursuant to the Option Plan, for a period ending 90 days from the Closing Date, without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld or delayed.

Valeura has agreed that it will use its best efforts to cause each of its directors and officers to execute agreements, in favour of the Underwriters, agreeing not to, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or any securities convertible or exchangeable into Common Shares held by them, directly or indirectly, for a period ending 90 days from the Closing Date unless (among other exceptions): (i) they first obtain the prior written consent of the Lead Underwriter (on its own behalf and on behalf of the other Underwriter), which consent will not be unreasonably withheld or delayed; or (ii) there occurs a take-over bid or similar transaction involving a change of control of Valeura.

United States

The Offered Shares have not been and will not be registered under the U.S. Securities Act or securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act), and accordingly, may not be offered, sold or delivered, directly or indirectly, within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. In connection with the Offering, the Underwriters, acting through their United States registered broker-dealer affiliates, may offer and sell Offered Shares to "qualified institutional buyers" (within the meaning of Rule 144A under the U.S. Securities Act ("**Rule 144A**")) provided that such offers and sales are made in accordance with Rule 144A and similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Offered Shares within the United States.

In addition, until 40 days after the commencement of the Offering, any offer or sale of Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

United Kingdom

This short form prospectus is only being, and may only be, distributed to and directed at, and the Offering is only being, and may only be, made to: (i) persons outside the UK; or (ii) persons in the UK who are both (a) a "qualified investor" within the meaning of Section 86(7) of the FSMA acting as principal or in circumstances to which Section 86(2) of FSMA applies, and (b) who are within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as "relevant persons" and each a "relevant person". The Offered Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. By accepting a copy of this short form prospectus and by offering to acquire Offered Shares, potential investors in the UK will be deemed to have represented that they satisfy the criteria specified in paragraph (ii) above to be a relevant person. Any person who is not a relevant person should not act or rely on this short form prospectus or any of its contents. This short form prospectus has not been approved as a prospectus by the FCA under Section 87A of FSMA and has not been filed with the FCA pursuant to the UK prospectus rules nor has it been approved by London Stock Exchange plc or a person authorized under FSMA for the purposes of Section 21 of the FSMA.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to Valeura, and Burnet, Duckworth & Palmer LLP, counsel to the Underwriters, provided that at all relevant times the Common Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), the Offered Shares acquired pursuant to the Offering will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), a deferred profit sharing plan, a registered retirement income fund ("**RRIF**"), a registered education savings plan ("**RESP**"), a registered disability savings plan ("**RDSP**") and a tax-free savings account ("**TFSA**").

Notwithstanding that Offered Shares may be qualified investments for a trust governed by a RRSP, RRIF, RESP, RDSP or TFSA, the holder of such RDSP or TFSA, the subscriber of such RESP or annuitant under such RRSP or RRIF, as the case may be, will be subject to a penalty tax in respect of the Offered Shares if such Offered Shares are a "prohibited investment" and not "excluded property" for the TFSA, RRSP, RESP, RDSP or RRIF for purposes of the Tax Act. Offered Shares will generally be a "prohibited investment" if the holder of a RDSP or TFSA, the subscriber of such RESP or annuitant under a RRSP or RRIF, as the case may be, (i) does not deal at arm's length with us for purposes of the Tax Act, or (ii) has a "significant interest" (within the meaning of the Tax Act) in us. Generally, a holder, subscriber or annuitant, as the case may be, will not have a significant interest in us provided the holder, subscriber or annuitant, together with persons with whom the holder, subscriber or annuitant does not deal at arm's length, does not own (and is not deemed to own pursuant to the Tax Act), directly or indirectly, 10% or more of the issued shares of any class of our capital stock or of any other corporation that is related to us (for purposes of the Tax Act). Individuals who hold or intend to hold Offered Shares in a TFSA, RRSP, RESP, RDSP or RRIF should consult their own tax advisors as to whether such securities will be a "prohibited investment" in their particular circumstances, including with respect to whether the Offered Shares would be "excluded property" in their particular circumstances.

Prospective subscribers should consult their own tax advisors regarding their particular circumstances.

RISK FACTORS

An investment in the Offered Shares is speculative and involves a high degree of risk. Valeura's business is subject to the risks normally encountered in the oil and natural gas industry such as the marketability of, and prices for, oil and natural gas, competition with companies having greater resources, acquisition, exploration and production risks, need for and availability of capital, fluctuations in the market price and demand for oil and natural gas, partner approvals, the regulation of the oil and natural gas industry by various levels of government and public protests. The success of further exploration or development projects cannot be assured. In addition, Valeura's operations are located primarily outside of Canada and are subject to risks arising from political instability, foreign exchange and foreign regulatory regimes. Subscribers must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Valeura.

Risk factors relating to Valeura are discussed in the AIF and the Q3 2017 MD&A, each of which are incorporated by reference in this short form prospectus. These risk factors, together with all of the other information included or incorporated by reference in this short form prospectus, should be carefully reviewed and considered before a decision is made to invest in the Offered Shares. Such risks may not be the only risks facing Valeura. Additional risks not currently known may also negatively impact Valeura's business operations and results of operation. In addition to such risk factors, investors should consider the below additional risks.

Share Price Volatility

The market price of the Common Shares may be volatile. The volatility may affect the ability of shareholders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to Valeura's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Valeura or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Forward-Looking Statements*" in this short form prospectus. In addition, the market price for securities in the stock markets, including the TSX, recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Common Shares.

Use of the Proceeds

Valeura currently intends on allocating the net proceeds received from the Offering as described under the heading "*Use of Proceeds*" in this short form prospectus. However, management will have the discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described under the heading "*Use of Proceeds*" herein if it believes that it would be in the best interests of Valeura to do so if circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of Valeura.

The anticipated use of proceeds, particularly with respect to drilling, may also be affected by a variety of risks and hazards which are beyond the control of Valeura, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, flooding and extended interruptions due to inclement or hazardous weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment, compliance with governmental requirements, explosions and other accidents. The anticipated dates for drilling may be delayed and the capital and operating costs may be greater than anticipated.

Dividend Policy

Valeura intends to retain earnings, if any, to finance the growth and development of its business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. Any decision to pay dividends on the Common Shares in the future will be made by the Board in its discretion on the basis of the earnings, financial requirements and other conditions existing at such time. Until Valeura pays dividends, which it may never do, holders of Common Shares will not be able to receive a return on their Common Shares unless they sell them.

Forward-Looking Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this short form prospectus under the heading "*Forward-Looking Statements*".

Estimates of Resources

The resources estimates presented in the D&M Resources Report have been classified as prospective resources. The resources estimates in the D&M Resources Report are estimates only. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. Readers are cautioned that the quantities presented are estimates only and should not be construed as being exact quantities.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Torys LLP on behalf of Valeura and Burnet, Duckworth & Palmer LLP on behalf of the Underwriters. As of the date hereof, each of Torys LLP and Burnet, Duckworth & Palmer LLP and their designated professionals, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of Valeura and its associates and affiliates. Ms. Stephanie Stimpson, a partner of Torys LLP, is the Corporate Secretary of Valeura.

KPMG LLP, the auditors of Valeura, has confirmed that it is independent with respect to Valeura within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

PMB Helin Donovan LLP, the auditors of TBNG, has confirmed that it is independent with respect to TBNG within the meaning of the Rules of Professional Conduct of the Texas Administrative Code, Part 22, Texas State Board of Public Accountancy.

Reserves and resources estimates contained in certain documents incorporated by reference in this short form prospectus are derived from reports prepared by D&M. As of the date hereof, to the knowledge of Valeura, neither D&M nor its officers beneficially own, directly or indirectly, any of the securities of Valeura.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF VALEURA

Dated: February 22, 2018

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Canada, except Québec.

(signed) "*William Sean Guest*" President and Chief Executive Officer	(signed) "*Stephen E. Bjornson*" Chief Financial Officer

On behalf of the Board of Directors

(signed) "*Timothy Marchant*" Director	(signed) "*William Fanagan*" Director

CERTIFICATE OF THE UNDERWRITERS

Dated: February 22, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Canada, except Québec.

GMP SECURITIES L.P.

(signed) "*Erik B. Bakke*"

CORMARK SECURITIES INC.

(signed) "*Dion Degrand*"