Press Release – August 19, 2016

VALEURA ANNOUNCES EXECUTION OF DEFINITIVE AGREEMENTS FOR STATOIL FARM-IN ON BANARLI LICENCES IN TURKEY

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to announce that its wholly-owned affiliate, Corporate Resources B.V. ("**CRBV**") (collectively "**Valeura**") has executed the definitive transaction documents (the "**Definitive Agreements**") with Statoil Holding Netherlands B.V. ("**Statoil**"), a wholly-owned affiliate of Statoil ASA, for a farm-in agreement for the exploration of the deeper formations on Valeura's two 100% owned and operated Banarli exploration licences (the "**Banarli Licences**") in the Thrace Basin of northwest Turkey. The Definitive Agreements include a farm-in agreement, a joint operating agreement to apply post-earning and a number of ancillary agreements.

"Completion of the Definitive Agreements is a key milestone and we now look forward to obtaining the necessary Turkish government approvals to close the farm-in transaction," said Jim McFarland, President and Chief Executive Officer of Valeura. "Valeura and Statoil have worked diligently to negotiate the Definitive Agreements and in parallel have collaborated to advance the preparatory work to expeditiously launch the farm-in work program, to be operated by Valeura, pending receipt of Turkish government approvals," adds McFarland.

BANARLI FARM-IN

Under the terms of the Definitive Agreements, Statoil has the option to earn a 50% participating interest in the deep formations on the Banarli licences by investing in an exploration program that includes payments and carried costs of at least US$36 million. The actual amount invested by Statoil to earn its 50% interest may be higher based on the actual agreed costs of the three-phase work program to satisfy the commitments as described more fully in Valeura's May 15, 2016 press release. The earning work program includes two deep exploration wells and additional 3D seismic.

The next step in the transaction requires the parties to jointly submit applications to the General Directorate of Petroleum Affairs ("**GDPA**") of the Republic of Turkey for approval of the associated licence interest transfers whereby Statoil would hold a 50% participating interest in the deep formations below approximately 2,500 metres and Valeura would retain a 100% interest in the shallow formations on the Banarli Licences. These applications are expected to be submitted by the end of August 2016. GDPA approval of the licence interest transfers is a key condition to close the transaction and Valeura will receive US$6.0 million at closing as a contribution to past exploration costs incurred on the Banarli Licences.

In the meantime, preparatory work has continued to position the possible commencement of drilling by year-end 2016 or early 2017, contingent on the timing of government approvals to close the transaction.

OTHER BUSINESS DEVELOPMENT AND OPERATIONAL HIGHLIGHTS

The Statoil farm-in on the Banarli Licences has set the stage for the Corporation to more actively pursue a joint venture partner to explore the deeper horizons below approximately 2,500 metres on certain joint venture lands acquired from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**") (the "**TBNG JV**"), which also have potential for a potential basin-centered gas play.

In concert, the Corporation is actively pursuing strategic acquisitions and exploring its options to ramp-up exploration and development activities in the shallow formations on its 40% non-operated interest in the TBNG JV. A resumption of activity on the TBNG JV would expand the drilling and fracing opportunity portfolio, balance risk and complement the 100% controlled shallow program on the Banarli Licences, which is in the early exploration phase. The objective of this strategy is to grow a more robust premium-priced, high netback conventional shallow gas and unconventional tight gas business in Turkey, while retaining meaningful exposure to a potentially high impact, deep basin-centered gas play in the Thrace Basin funded in the early stages by joint venture partners.

Bati Gurgen-2 Well

The Bati Gurgen-2 sidetrack well on the Banarli Licences has now been completed as a natural gas producer from the Osmancik formation and is in the process of being tied-in with a very short flowline to the existing gathering system from the Bati Gurgen-1 well. The well is expected to be on-stream by early September 2016. Approximately 8.0 metres of conventional stacked sands were perforated in the Osmancik below a true vertical depth of 1,640 metres. A short 12-hour well test was carried out at a restricted rate of approximately 1.0 million cubic feet per day ("**MMcf/d**"). The gas will be sold to the TNBG JV under the same sales contract currently in place for Banarli sales sourced from the Bati Gurgen-1 well.

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 (e.g. IP30 refers to an initial on-stream average production rate measured over a 30-day period). Initial on-stream production rates are not necessarily indicative of long-term performance or ultimate recovery. To date, shallow gas conventional wells have exhibited relatively high decline rates at more than 50% in their first year of production. All natural gas rates and volumes are presented net of any load fluids.

ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements including, but not limited to: the ability to satisfy the conditions for closing pursuant to the Definitive Agreements, including securing GDPA approval for the transfer of the licence interests and the expected timing; the ultimate investment by Statoil under the Definitive Agreements and its ability to earn a 50% interest in the Banarli licences; the anticipated spud date of the Phase 1 well under the Statoil farm-in agreement; the expected US$6.0 million payment from Statoil at the closing of the Statoil farm-in; the plans to attract a joint venture partner to explore the deep formations on certain TBNG JV lands; the ability to find a viable option to ramp-up activities in the shallow formations on the TBNG JV lands; the ability to complete a strategic acquisition; and, the planned timing of the tie-in of the Bati Gurgen-2 well. 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 recent failed coup attempt in Turkey; continued safety of operations and ability to proceed in a timely manner; the ability to complete the closing of the Statoil farm-in on the Banarli licences; continued operations of and approvals forthcoming from the GDPA in a manner consistent with past conduct; the ability to attract a partner for deep exploration on certain TBNG JV lands; the ability to find ways to re-start the drilling and fracing program on the TBNG JV lands; the ability to complete a strategic acquisition; the continued favourable pricing and netbacks in Turkey; and, the Corporation's 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: the risks of delay and ability to obtain GDPA approval for the Statoil farm-in on the Banarli licences in light of the recent failed coup attempt in Turkey and its aftermath; uncertainty regarding the sustainability of initial production rates and decline rates thereafter, and the ability to mitigate these declines; the risks of currency fluctuations; the risk of changes in gas prices and netbacks in Turkey; uncertainty regarding the availability of drilling rigs and associated equipment on the contemplated timelines for deep drilling on the Statoil farm-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 political leaders or parties or a resurgence of a coup or other political turmoil; the uncertainty regarding government and other approvals; potential changes in laws and regulations; risks associated with weather delays and natural disasters; the risk associated with international activity; the uncertainty regarding the ability to secure a joint venture partner to pursue deep exploration on certain TBNG JV lands; uncertainty regarding the ability to complete a strategic acquisition; and the uncertainty regarding the ability to find a viable option to ramp-up the shallow program on the TBNG JV lands. 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 2015 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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