Press Release – January 12, 2018

VALEURA PROVIDES OPERATIONAL UPDATE AND ANNOUNCES BOARD CHANGES

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to provide an update of operational results for Q4 2017 and the status of the Yamalik-1 well operations. The Corporation is also pleased to announce the addition of Mr. Russell Hiscock to the board of directors of the Corporation (the "**Board**") and the appointment of Mr. Tim Marchant as the Chair of the Board.

FRAC AND TEST EQUIPMENT RELEASED FROM YAMALIK-1 WELL

The Corporation has temporarily suspended testing operations on the Yamalik-1 well and has released the fracing and testing equipment after accomplishing the primary objectives of the testing. The Yamalik-1 well 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-centred gas accumulation. The production testing results have exceeded expectations. The 24-hour aggregate production test rate of 2.9 million cubic feet per day ("**MMcf/d**") from the four production tests in the Kesan formation was better than modelled. Additionally, the gas was at a higher pressure than expected and the gas flowed with a significant amount of condensate (with a test data range of 20 to 70 barrels per MMcf).

Valeura stated in its press release on December 27, 2017 that it would attempt to mill out all of the plugs in the well that were required for the multi-stage fracing operations and if successful, perform a commingled test. In that press release, Valeura advised of its concern about the limitations of the third-party production test equipment and its ability to cope with any flowback during this milling operation given the combination of high-pressure gas, condensate, frac sand and milling debris. This concern was realised while milling the first plug as the surface test equipment became plugged. The attempted milling operation has not compromised the wellbore or the fraced reservoirs, and both remain in a state expected to be suitable for testing, tie-in and production. This type of post-frac clean-out operation is standard in North America.

The Corporation is currently proceeding with engineering and design work to enable Yamalik-1 to be tied into its gas gathering and sales network. When the pipeline and surface equipment are ready, the Corporation plans to clean out the well with fit-for-purpose milling and testing equipment. The well would then be further tested and placed on production through smaller diameter production tubing which should improve the production of natural gas and condensate from the well, and allow for a better understanding of the performance of the fraced reservoirs. While the Corporation is targeting to recommence operations by the end of Q1, this timing may be delayed if it is determined that the high-pressure gas necessitates the use of special completion equipment with a longer procurement time.

Based on the current cost estimates up until release of the test equipment, the testing operations completed to date are expected to be on the budget of US$10.3 million. Under the previously announced Banarli Farm-in Agreement, Statoil is responsible for all of these testing costs up to 110% of the agreed budget.

Q4 2017 OPERATIONAL HIGHLIGHTS AND SUBSEQENT DEVELOPMENTS

Net petroleum and natural gas sales in Q4 2017 averaged approximately 1,038 barrels of oil equivalent per day ("**boe/d**"), which was up approximately 1% from Q3 2017 reflecting additions from four well workovers, offset by natural declines.

December 2017 exit net sales were 929 boe/d compared to earlier guidance of 1,000 to 1,100 boe/d. This shortfall was due to a decision to defer execution of two well re-entry fracs in the Tekirdag area to late December given the high activity levels in support of the Yamalik-1 testing program. The two re-entry fracs were successfully completed in the Kayi-14 and Baglik-1wells in normally-pressured, tight gas sands in the Teslimkoy formation.

A single stage frac was completed in the Kayi-14 well over a depth interval from 1,195 to 1,248 metres. The well has been on-stream since December 27, 2017 and has produced at an average restricted rate of 0.6 MMcf/d (gross) through a 22/64" to 26/64" choke over the past 16-day period.

A two-stage frac was completed in the Baglik-1 well on December 28, 2017 over a depth interval from 846 to 938 metres. The well has been on-stream since January 8, 2018 and has produced at an average restricted rate of 1.0 MMcf/d (gross) through a 20/64" to 24/64" choke over the past 4-day period.

Both of these wells are currently on-stream and contributing to the Corporation’s gas sales.

BOTAS REFERENCE GAS PRICE UP 14% EFFECTIVE JANUARY 1, 2018

The Corporation's average natural gas price realization in Q4 2017 was approximately CAD$6.61 per thousand cubic feet ("**MCF**"), down 5% from Q3 2017 due to weakening of the Turkish Lira ("**TL**") which is the pricing basis for Turkish gas sales.

In a positive development, the reference natural gas price in Turkey set by Bori Hatlari ile Petrol Tasima Anonim Sirketi ("**BOTAS**") was increased by approximately 14% effective January 1, 2018 to 0.8 TL per cubic meter, or approximately CAD$7.50/Mcf at the current exchange rate of 3.0 TL/CAD$ (which is subject to change over time). The Corporation's average natural gas price realizations have historically been at a 2 to 4% discount to the BOTAS reference price.

RUSSELL HISCOCK APPOINTED TO BOARD AND TIM MARCHANT BECOMES BOARD CHAIR

Mr. Hiscock is the President and Chief Executive Officer of the CN Investment Division (Montreal), which manages one of the largest corporate pension funds in Canada. Mr. Hiscock has many years of equity portfolio management experience in both the Canadian and international stock markets, with particular emphasis on the oil and gas sector. He is a past Chairman of the Pension Investment Association of Canada (PIAC). Mr. Hiscock holds a Bachelor of Mathematics degree from the University of Waterloo, a Master of Arts degree in Economics from the University of Western Ontario and an MBA from the University of Toronto. He is a Certified Chartered Financial Analyst and a Certified Management Accountant. Mr. Hiscock will serve as a member of the Audit Committee and the Governance and Compensation Committee of the Board.

Tim Marchant stated, "We welcome Russell Hiscock to Valeura Energy. His deep experience of global investment markets will be a valuable addition to the Board."

Mr. Tim Marchant has been appointed as Chair of the Board replacing Mr. William T. Fanagan, who requested for health reasons to step down as Chair. Mr. Fanagan will continue to serve on the Board as a director and as the Chair of the Audit Committee. The Corporation would like to thank Mr. Fanagan for his dedication and service to the Corporation as Board Chair since the Corporation’s inception.

ABOUT THE CORPORATION

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

OIL AND GAS ADVISORIES

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

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

When used herein, the term "boe" means barrels of oil equivalent on the basis of one boe being equal to one barrel of oil or natural gas liquids, or 6,000 cubic feet of natural gas. Barrel of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of 6.0 Mcf to 1.0 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements and information (collectively referred to herein as "**forward-looking information**") including, but not limited to: the final cost of the completion and testing operations at the Yamalik-1 well and that costs-to-date will be consistent with the budgeted amount; and the plan to tie-in the Yamalik-1 well and produce natural gas and condensate in late Q1 2018. Forward-looking information typically contains statements with words such as "anticipate", estimate", "expect", "target", “plan”, "potential", "could", "should", "would" or similar words suggesting future outcomes. The Corporation cautions readers and prospective investors in the Corporation's securities to not place undue reliance on forward-looking information, as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Corporation.

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

Forward-looking information involves significant known and unknown risks and uncertainties. Exploration, appraisal, and development of oil and natural gas reserves are speculative activities and involve a significant degree of risk. A number of factors could cause actual results to differ materially from those anticipated by the Corporation including, but not limited to: uncertainty regarding the contemplated timelines and costs for the ultimate tie-in and production from the Yamalik-1 well; technical risks associated with the milling, testing and tie-in of the Yamalik-1 well; the availability and timing for obtaining specialized equipment if needed; 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 or local communities; political stability in Turkey, including potential changes in Turkey's constitution, political leaders or parties or political turmoil; exchange rate fluctuations; the uncertainty regarding government and other approvals; counterparty risk; potential changes in laws and regulations; and, risks associated with weather delays and natural disasters. The forward-looking information included in this news release is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date hereof and Valeura assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law. See Valeura's 2016 AIF for a detailed discussion of the risk factors.

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

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