VALEURA ANNOUNCES FIRST QUARTER 2018 RESULTS AND UPDATES ON PROGRESS FOR APPRAISAL ACTIVITIES

Calgary, May 9, 2018: Valeura Energy Inc. (TSX:VLE) ("**Valeura**" or the "**Company**") is pleased to report the following highlights of its financial and operating results for Q1 2018:

- the Company released the DeGolyer and MacNaughton external resource report on February 6, 2018 (the "**D&M Resource Report**"), which attributed 10.1 trillion cubic feet ("**Tcf**") of estimated unrisked mean prospective resources of natural gas (5.2 Tcf risked), which includes 236 MMbbls of condensate, to Valeura's working interest of the basin centered gas accumulation ("**BCGA**") discovered with the Yamalik-1 well;
- the Company closed a $60 million (gross) bought deal financing on March 1, 2018 which will fund Valeura's 2018 and 2019 capital program, including the appraisal of the BCGA;
- the Company's shallow gas production was cash flow positive in Q1 2018; and
- BOTAS, who own and operate Turkey's crude oil and natural gas pipeline grid, increased Turkey's reference natural gas price by almost 25% with increases on January 1 and April 1, 2018. The Company's realised gas price is subject to exchange rate variations, such that in Canadian dollars, the realised price for April 2018 was 17% higher than Q4 2017.

"This was a transformative quarter for Valeura," said Sean Guest, President and CEO, "Our external resource report confirmed the world-class scale of the unconventional gas resource we discovered in Turkey and we raised funds to see the Company through a definitive appraisal program."

"Our balance sheet is in excellent shape, and planning is now in full swing for the work program ahead. In addition, we are encouraged by the recent changes in Turkey's gas reference price, which help to confirm the long-term value proposition for our basin centered gas accumulation."

Valeura has made progress toward its key BCGA appraisal activities. The Yamalik-1 well tie-in and long-term testing is on track for early Q3 2018 operations. Related pipeline approvals have been received and construction is now under way. The first of three appraisal wells, Inanli-1, is planned to spud in late Q3 2018.

Also subsequent to quarter end, the Company completed processing newly acquired 3D seismic data and information has been merged into the existing dataset. Interpretation is in progress and will form part of the planning process for additional appraisal wells.

FINANCIAL AND OPERATING RESULTS SUMMARY

Table 1 Financial Results Summary

	Three Months Ended March 31, 2018	**Three Months Ended December 31, 2017**	**Three Months Ended March 31, 2017**
Financial (thousands of CDN$ except share and per share amounts)			
Petroleum and natural gas revenues	3,469	3,824	3,088
Adjusted funds flow (1)	545	(446)	(2,883)
Net loss from operations	(2,435)	(946)	(2,001)
Exploration and development capital	874	1,856	1,932
Acquisitions	-	-	21,450
Dispositions	-	-	(22,315)
Net working capital surplus	58,824	3,421	7,545
Cash	56,899	11,108	5,760
Common shares outstanding			
Basic	83,675,321	73,148,321	73,148,321
Diluted	90,973,321	79,518,821	79,062,821
Share trading			
High	8.27	5.02	1.00
Low	3.30	0.43	0.63
Close	4.14	4.35	0.68
Operations			
Production			
Crude oil (barrels (“**bbl**”)/d)	15	9	3
Natural Gas (one thousand cubic feet (“**Mcf**”)/d)	5,066	6,176	4,825
BOE/d (@ 6:1)	859	1,038	807
Average reference price			
Brent ($ per bbl)	84.56	78.05	71.28
BOTAS Reference ($ per Mcf) (2)	7.49	6.65	7.12
Average realized price			
Crude oil ($ per bbl)	82.61	82.78	72.83
Natural gas ($ per Mcf)	7.37	6.61	7.06
Average Operating Netback ($ per BOE @ 6:1) (1)	25.34	22.35	28.62

Notes:

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

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

(2) BOTAS regularly posts prices and its Level-2 Wholesale Tariff benchmark is shown herein as a reference price. See the Company’s 2017 annual information form filed on SEDAR for further discussion.

On March 1, 2018, the Company closed a bought deal financing for $60.0 million (gross) that resulted in the issuance of 10,527,000 common shares. This financing yielded $55.4 million in net proceeds to the Company which is reflected in the increased net working capital surplus and the cash position at the end of Q1 2018.

Net petroleum and natural gas sales in Q1 2018 averaged 859 BOE/d, which was 17% lower than Q4 2017 and 6% higher than the same period last year. While Valeura continues to undertake low cost workover activities across its conventional gas fields, and will drill one shallow conventional well in Q2 2018, the Company is focusing its technical and drilling efforts on appraisal of its BCGA play.

Adjusted funds flow for Q1 2018 was an inflow of $0.5 million compared to an outflow of $2.9 million for the same period in 2017. Adjusted funds flow for Q1 2017 was negatively impacted by expenses related to the TBNG acquisition and the Banarli farm-in, including transaction costs, income taxes and realized foreign exchange losses. Income tax related to these transactions continued into Q4 2017. These were one-time expenses that did not recur in Q1 2018, and combined with the effect of higher volumes and prices, the Company generated positive adjusted funds flow for the quarter.

Net loss from operations was $2.4 million for Q1 2018, compared to a loss of $1.0 million in Q4 2017 and a loss of $2.0 million in Q1 2017. The net loss is due to non-cash items including depletion and depreciation, accretion on decommissioning liabilities, share based compensation and deferred tax expense.

2018 OUTLOOK

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

Further testing of Yamalik-1 remains on schedule with activity planned to commence in early Q3 2018. Appropriate test equipment has been acquired in North America and is currently being mobilized to Turkey. Once this equipment arrives in Turkey, the Yamalik-1 testing program can resume. Pipeline approval to tie the Yamalik-1 well into Valeura's gas marketing infrastructure is in place and construction is underway. The line will be commissioned in advance, so gas flaring during the testing phase can be reduced and eliminated for the long term test.

The first well in the appraisal drilling program will be Inanli-1. The well will be drilled 6 km to the north-east of the Yamalik-1 discovery well, in an area with high quality 3D seismic imaging. Inanli-1 is being designed to test the vertical extent of the BCGA, which includes planning to drill to a depth of 5,000m.

Preliminary locations for the second and third wells have been identified, and will be confirmed based on interpretation of the new Karaca 3D seismic data acquired in 2017. Final processing of this seismic survey and merging with Valeura's existing 3D datasets is complete and these data are being interpreted now.

The delineation drilling campaign is on schedule to commence in late Q3 2018 and the three wells will be drilled back-to-back. Each well is expected to take about two to two and half months to drill. Assuming that the well is successful, after the rig has completed drilling operations, the well will then be fraced and production tested. Procurement activities for the rig and the required equipment are in progress with long lead items having been ordered and a rig contract is anticipated to be signed in Q2 2018. The Inanli-1 well drilling and testing program will be fully funded by Valeura's joint interest partner, Statoil, and will complete their earning obligations under the Banarli farm-in agreement.

The Company will drill one shallow gas well in Q2 2018 in one of the West Thrace licenses. The Karanfiltepe-7 well will target a conventional fault-bounded trap and will be drilled to approximately 1,450m. The well must be spudded prior to June 27, 2018 to maintain the license in good standing.

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

ABOUT THE COMPANY

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

OIL AND GAS ADVISORIES

D&M Resource Report

The D&M Resource Report was prepared using guidelines outlined in the Canadian Oil and Gas Evaluation Handbook and in accordance with National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). Additional resources information as required under NI 51-101 is included in the 2017 AIF.

Use of Unrisked Estimates

The unrisked estimates of prospective resources referred to in this news release have not been risked for either the chance of discovery or the chance of development. There is no certainty that any portion of the prospective resources will be discovered. See the 2017 AIF for details regarding risked estimates. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the prospective resources.

BOEs

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

Definitions

"BOTAS", Boru Hatlari ile Petrol Tasima Anonim Sirketi is the company who own and operate Turkey's crude oil and natural gas pipeline grid and purchases the majority of Turkey's natural gas imports.

"**chance of development**" is the estimated probability that, once discovered, a known accumulation will be commercially developed.

"**chance of discovery**" is the estimated probability that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum.

"**natural gas**" is defined as Conventional Natural Gas product type as per NI 51-101.

"**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.

"**resources**" are petroleum quantities that originally existed on or within the earth's crust in naturally occurring accumulations, including discovered and undiscovered (recoverable and unrecoverable) plus quantities already produced. Total resources is equivalent to total petroleum initially-in-place.

ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements and information (collectively referred to herein as "**forward-looking information**") including, but not limited to: Valeura's view that it has discovered a world-class unconventional gas play; the costs, timelines and objectives for the deep drilling and BCGA appraisal program in 2018 and 2019; the timing, cost and construction to tie-in and conduct a long term production test and achieve natural sales from the Yamalik-1 well; the timing of the spudding of the Inanli-1 well; the drilling of the Karanfiltepe-7 well and the timing thereof; the timing of the arrival of test equipment in Turkey and the resumption of the Yamalik-1 testing program; the final timeline to complete the interpretation of the Karaca 3D seismic; the potential for a BCGA play in the Thrace Basin; the timing and completion of the delineation drilling campaign and related procurement activities (including the anticipated rig contract); management's belief regarding the potential of the Company's deep BCGA play and shallow gas business in the Thrace Basin; Valeura's commitment to safety and optimizing operational and administrative functions; Valeura's business strategy and outlook; the use of proceeds from the financing that closed on March 1, 2018; the ability to finance future developments; and the determination of the Company's 2018 shallow gas program. Forward-looking information typically contains statements with words such as "anticipate", estimate", "expect", "target", "potential", "could", "should", "would" or similar words suggesting future outcomes. The Company cautions readers and prospective investors in the Company's securities to not place undue reliance on forward-looking information, as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

Statements related to "prospective resources" are deemed forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the prospective resources can be profitably produced in the future. Specifically, forward-looking information contained herein regarding "prospective resources" may include estimated volumes of prospective resources and the ability to finance future development.

Forward-looking information is based on management's current expectations and assumptions regarding, among other things: political stability of the areas in which the Company is operating and completing transactions, and in particular the aftermath of the July 2016 failed coup attempt in Turkey and the 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 deep BCGA and shallow gas plays on the TBNG joint venture lands and Banarli licences; the continued favourable pricing and operating netbacks in Turkey; future production rates and associated operating netbacks and cash flow; future sources of funding; future economic conditions; future currency exchange rates; the ability to meet drilling deadlines and other requirements under licences and leases; and the Company's continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. In addition, the Company's work programs and budgets are in part based upon expected agreement among joint venture partners and associated exploration, development and marketing plans and anticipated costs and sales prices, which are subject to change based on, among other things, the actual results of drilling and related activity, availability of drilling, fracing and other specialized oilfield equipment and service providers, changes in partners' plans and unexpected delays and changes in market conditions. Although the Company believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect.

Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those anticipated by the Company including, but not limited to: the risks of currency fluctuations; changes in gas prices and netbacks in Turkey; uncertainty regarding the contemplated timelines for the timelines and costs for the deep evaluation in 2018 and 2019; the risks of disruption to operations and access to worksites, threats to security and safety of personnel and potential property damage related to political issues, terrorist attacks, insurgencies or civil unrest in Turkey; political stability in Turkey, including potential changes in Turkey's 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; and, the uncertainty regarding the ability to fulfil the drilling commitment on the West Thrace 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 the 2017 AIF for a detailed discussion of the risk factors.

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

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