



VALEURA ANNOUNCES INITIAL PRODUCTION RATES FROM YAMALIK-1 WELL LONG-TERM TEST

Calgary, September 16, 2018: Valeura Energy Inc. (TSX:VLE) (“Valeura” or the “Company”) is pleased to announce successful recompletion of the Yamalik-1 well and initial production rates.

The well was successfully recompleted by drilling out the plugs and installing production tubing to allow for a long-term production test on a comingled basis. The well began producing gas and condensate on September 12, 2018. At the end of 24 hours of continuous production, the flow rate was 2.53 mmcf/d through a 20/64” choke with a wellhead pressure of 2,535 psi.

Four days into the production test the well was beginning to show signs of stabilized flow, with gas rates currently at 1.40 mmcf/d. The well is still in clean up with an average frac water return rate of 870 bbls/day and the amount of frac water recovered is estimated to be 33%. Initial analysis on the composition of the water indicates that this is primarily frac fluid. The average condensate rate over the first 4 days of production is 49 bbl/mmcf.

In the coming days, Valeura expects to begin producing the well through its infrastructure. Long-term production data from this well is an important part of the ongoing appraisal program of the Basin Centered Gas Accumulation (“BCGA”).

“I am delighted to once again be able to announce flow rates from the Yamalik-1 well, and to confirm the presence of a significant amount of condensate,” commented Sean Guest, President and CEO, “We are all pleased with the initial flow rate given that this is our first real fracturing program in this play, albeit a relatively modestly-sized 8-stage frac to test selected sands comprising less than half of the interpreted net pay in Yamalik. Long-term production data will help us to better determine the flow potential of this reservoir, and the production of gas and condensate will provide an immediate increase to our revenues.”

The Company is preparing to spud Inanli-1, the first of three appraisal wells, in the next month with well results expected in late Q4 2018. Key equipment, including a drilling rig, is being mobilized to the drilling location, which is approximately 6 km to the north-east of the Yamalik-1 discovery well.

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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

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.

Forward-Looking Statements and Cautionary Statements

This news release contains certain forward-looking statements and information (collectively referred to herein as “forward-looking information”) including, but not limited to: the Yamalik-1 well producing through the Company’s infrastructure, the use of the Yamalik-1 long-term production data, expectations with respect to an increase to the Company’s revenue; and the timing of spudding of the Inanli-1 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 Company cautions readers and prospective investors in the Company’s securities to not place undue reliance on forward-looking information, as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

Forward-looking information is based on management’s current expectations and assumptions regarding, among other things: political stability of the areas in which the Company is operating and completing transactions, 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 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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