VALEURA ANNOUNCES THIRD QUARTER 2018 RESULTS AND CONTINUING APPRAISAL OF ITS BASIN CENTERED GAS ACCUMULATION

Calgary, November 13, 2018: Valeura Energy Inc. (TSX:VLE) ("**Valeura**" or the "**Company**"), the upstream oil and gas company currently producing gas and focused on appraising and developing an unconventional gas accumulation in the Thrace Basin of Turkey, is pleased to report its financial and operating results for Q3 2018 and provide an update on its continuing appraisal program. The Company's unconventional Basin Centered Gas Accumulation ("BCGA") discovery in Turkey has been evaluated by DeGolyer and MacNaughton to hold 10.1 Tcf of estimated working interest unrisked mean prospective resources of natural gas, which includes 236 MMbbl of condensate.

Financial and Operating Highlights:

- **Inanli-1**: The wellsite was constructed and drilling and service equipment imported in Q3 2018. The well was spudded on October 8, 2018, and is currently at a depth of 3,460 metres. Interpretation of wireline data indicate the well has encountered overpressured gas-bearing sands in the lower Mezardere Formation. Operations are progressing on schedule and on budget, and final drilling results are expected in late December 2018.
- **Yamalik-1:** Recompletion operations and tie-in to Valeura's gas production infrastructure were completed in Q3 2018. Long-term testing commenced on September 12, 2018, with a rate of 2.53 mmcf/d after 24 hours of flow, and the well is currently flowing gas, condensate and water. The Company plans to continue long-term production to increase understanding of the flow properties of the reservoir and the fluid compositions that are being produced from the four different zones.
- **Pricing:** The Q3 2018 realized gas price was slightly lower than the prior quarter, at $6.64/mcf, due to the sharp and significant decline in the value of the Turkish Lira in August. Over the following months Boru Hatalari ile Petrol Tasima Anonim Sirketi ("BOTAS"), who owns and operates Turkey's crude oil and natural gas pipeline grid, adjusted the reference gas price upward, offsetting the effect of the decline in the value of the Turkish Lira. The value of the Turkish Lira has risen by 14% since the end of Q3, resulting in a substantially higher average realized gas price over the last five weeks of approximately $8.53/mcf.
- **Production and Netbacks:** Average production was 655 boe/d during the quarter, down 11% from the prior quarter reflecting the impact of natural decline rates. Q3 2018 operating netbacks were $23.63/boe, an increase of 5% over the prior quarter, despite lower average realized prices. This reflects a continuing focus on managing conventional operations as efficiently as possible, and the absence of non-recurring costs in the same quarter a year ago. Given the higher gas prices, average netbacks to date are expected to be approximately $35/boe in Q4.
- **Balance Sheet:** Valeura's balance sheet remained strong throughout the quarter, with an ending working capital surplus of $56.3 million. Capital spending was light throughout the quarter as much of the key activities are carried by the Company's joint venture partner, Statoil Banarli Turkey B.V. ("**Equinor**").

"Our appraisal program has shifted into high gear." said Sean Guest, President and CEO. "The Inanli-1 well is about to enter the top of its objective BCGA section and we are already seeing indications of overpressure and gas shows in the sands. Inanli-1's data-gathering program is extensive, and we expect to learn a lot about the play by drilling this well fully 800 metres deeper than Yamalik-1. Meanwhile, we are monitoring the performance of the Yamalik-1 discovery well as it continues producing under a long-term test."

"The fundamentals of our business in Turkey remain very sound. We have seen repeated lira-denominated price increases over Q3 2018 and Q4 2018 to date, which serve to offset the devaluation in the Turkish Lira and provide confidence that the long-term value of our gas will closely mirror broader European market prices. At the same time, our balance sheet is in excellent shape and we are fully funded through to 2020. The remainder of 2018 and 2019 will be a pivotal time period for Valeura as we appraise and de-risk the value of our business to maximize shareholder value."

FINANCIAL AND OPERATING RESULTS SUMMARY

Table 1 Financial Results Summary

	Three Months Ended September 30, 2018	**Three Months Ended June 30, 2018**	**Nine Months Ended September 30, 2018**	**Three Months Ended September 30, 2017**	**Nine Months Ended September 30, 2017**
Financial (thousands of CDN$ except share and per share amounts)					
Petroleum and natural gas revenues	2,401	2,949	8,819	3,970	10,822
Adjusted funds flow (used) (1)	(430)	461	576	1,165	(759)
Net loss from operations	(2,647)	(1,404)	(6,846)	(4,911)	(7,438)
Exploration and development capital	2,739	1,128	4,741	4,992	10,935
Acquisitions	-	-	-	-	21,450
Dispositions	-	-	-	-	(26,288)
Net working capital surplus	56,337	60,296	56,337	5,458	5,458
Cash	56,522	55,945	56,522	2,968	2,968
Common shares outstanding Basic Diluted	 86,136,988 90,831,655	 86,136,988 90,983,320	 86,136,988 90,831,655	 73,148,321 79,518,821	 73,148,321 79,518,821
Share trading High Low Close	 4.85 2.58 4.18	 5.82 3.97 4.78	 8.27 2.58 4.18	 0.72 0.49 0.49	 1.00 0.49 0.49
Operations					
Production					
Crude oil (barrels ("**bbl**")/d)	-	9	8	11	8
Natural Gas (one thousand cubic feet ("**Mcf**")/d)	3,931	4,360	4,448	6,077	5,489
BOE/d (@ 6:1)	655	736	749	1,024	923
Average reference price Brent ($ per bbl) BOTAS Reference ($ per Mcf) (2)	 98.12 6.65	 96.23 7.33	 92.93 7.26	 65.27 7.10	 67.66 7.23
Average realized price Crude oil ($ per bbl) Natural gas ($ per Mcf)	 - 6.64	 95.77 7.24	 87.59 7.11	 65.16 6.98	 67.49 7.13
Average Operating Netback ($ per BOE @ 6:1) (1)	23.63	22.53	23.91	22.66	24.28

Notes:

See the Company's Q3 2018 management's discussion and analysis (the "**MD&A**") 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 (the "**2017 AIF**") filed on SEDAR for further discussion.

Net petroleum and natural gas sales in Q3 2018 averaged 655 boe/d, which was 11% lower than Q2 2018. This reflects natural declines in producing conventional reservoirs and is in line with the Company's expectations for reservoir performance. The Company is continuing to conduct maintenance activities to ensure facilities associated with the conventional program remain in good working order, however, the majority of Valeura's technical and operational effort is now focused on its unconventional appraisal program. Oil production continued in Q3 2018, but there were no lifting (sales) recorded in the quarter. No production from Yamalik-1 is included in the Q3 2018 financials.

Controllable expenses, comprising production costs and general and administrative costs were $1.2 million, down 51% from the prior quarter, as the Company continued to focus on efficient operations in its conventional play, and the benefit of G&A charge-outs under its joint venture arrangement.

Net loss from operations was $2.7 million in Q3 2018, compared to a loss of $1.4 million in Q2 2018. While controllable expenses were reduced, the increased net loss in Q3 2018 resulted from increased foreign exchange losses.

Exploration and development capital spending in Q3 2018 was $2.7 million, an increase of 143% over the prior quarter, due mainly to increased drilling and completions spending, including procuring long-lead items related to the appraisal drilling.

APPRAISAL PROGRAM UPDATE AND OUTLOOK

Inanli-1

During the quarter, the Company prepared the Inanli-1 wellsite approximately 6 km to the north east of the Yamalik-1 location, imported drilling and service equipment including the KCA Deutag T-700 drilling rig, and commenced drilling on October 8, 2018. Drilling operations to date are proceeding safely, on budget and on schedule.

The well is currently at an intermediate casing point depth of 3,460 metres which is near the base of the Mezardere Formation, and just above the main objective Teslimkoy and Kesan Formations. The well encountered more sand in the lower Mezardere section relative to Yamalik-1, with the interval from 3,262 metres to 3,440 metres interpreted to contain overpressured, gas-bearing sands with a net-to-gross ratio of approximately 40%.

The well is currently preparing to run casing prior to drilling into the objective formations. The target depth remains 5,000 metres.

An extensive data acquisition program is planned for the objective section of the well, including more than 300 metres of core. Drilling results from Inanli-1 are expected in late December 2018 and the Company intends to frac and flow test the well in Q1 2019. Equinor will fund the drilling and testing of Inanli-1 which will fulfill their earning obligations under the Banarli farm-in agreement.

Yamalik-1

Valeura is conducting a long-term production test of its BCGA discovery well, Yamalik-1 through a new-build pipeline connected to its production facilities. After drilling out the well's plugs in August 2018, flowback and testing of the well commenced 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. After a period of intermittent flow of gas, condensate and water, a gas lift compressor was installed on October 22, 2018, to assist in the ongoing flow back of frac fluids phase of initial production. Pressures and flow rates stabilized after the introduction of gas lift, and on November 1, 2018 the well produced at a rate of 0.5 mmcf/d gas, 24 bbls/d condensate, and 269 bbls/d water through an 18/64” choke with a wellhead pressure of 1,131 psi. Recently, the Company has been increasing the choke size to monitor the response of the well.

The condensate gas ratio has remained relatively stable during the period of flowback and has averaged more than 50 bbl/mmcf. The well has recovered a total of 17,200 bbls of water, representing approximately 80% of the load water injected during fracing operations. Should the production of water continue after full recovery of the load water, then it will be important to determine which zone(s) are contributing the water so that these formations can be better managed in future appraisal vertical wells and avoided in any potential horizontal wells. The Company is exploring options to perform production logging or similar zone-specific analysis to determine the fluid composition from each of the four intervals tested in the wellbore.

Valeura has been reviewing the Yamalik-1 fracing, completion and testing operations with a team from Equinor, contractors and external consultants to capture learnings and to help design future fracing and testing programs. While the Yamalik-1 flow testing has met its primary objective of demonstrating that gas and condensate will flow post fracing from select zones, the program was modest in both frac size and number of fracs. Analysis of the Yamalik-1 production data is challenging as it is a vertical well with the four zones spread over approximately 800 metres. Large pressure, temperature and fluid property variations are expected from the top zone to the bottom zone.

Production from Yamalik-1 is planned to continue indefinitely, providing reservoir performance data which is being integrated into detailed design work for appraisal wells.

Further Appraisal Drilling

After completing Inanli-1, the rig will be moved directly to the Devepinar-1 location in the West Thrace license and is expected to spud in early Q1 2019 with results available around the end of Q1 2019. Devepinar-1 is a large, approximately 20 km, step out from the Yamalik-1 and Inanli-1 sites, but is located between two legacy, deep, but untested wells which both encountered high-pressure gas at depth. The primary objective of Devepinar-1 is to demonstrate that the BCGA play is pervasive across to the west of the basin. All permits are in place and construction on the well site has begun.

Following Devepinar-1, a third BCGA appraisal well will be drilled. The Company has obtained drilling permits for several potential well locations for that well and expects to select a location in collaboration with Equinor in Q1 2019.

CORPORATE OUTLOOK

Valeura is fully focused on appraising and de-risking its unconventional gas discovery in Turkey. 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. Management believes the combination of ongoing analysis of Yamalik-1 plus the results from its three-well program will provide a strong understanding of the BCGA play in 2019.

The Company remains very well positioned to finance its ongoing BCGA appraisal and all corporate activities through 2019. The Company’s working capital position is more than adequate to fund its working interest share of the two appraisal wells post Inanli-1 and all associated fracing and testing activities.

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.

London Listing
Valeura has recognized that there may be an opportunity for the Company to attract greater trading liquidity and shareholder interest by pursuing an additional listing of its common shares on a United Kingdom stock exchange, in addition to the TSX. A London listing would position the company alongside its international peer group and may generate increased interest through access to specialist international oil and gas investors and a broader range of equity research analysts.

The Company is dedicated to realizing full value for its business in Turkey and believes this is a prudent step toward enhancing shareholder value. Exploratory work on this additional listing will progress over the next four months, and if the Company elects to proceed, the timing of final filing documents will be driven by the Company's 2018 year end reserves and financial information.

CONFERENCE CALL

The management team will host an investor and analyst conference call and question session at 9:00 a.m. (Calgary), 11:00 a.m. (Toronto), 4:00 p.m. (London), and 7:00 p.m. (Istanbul) today, Tuesday November 13, 2018.

The live webcast of the presentation will be available at the below link. Dial-in details are provided below. Please register approximately 15 minutes prior to the start of the call. The quarterly results will be made available on the Company's website at: www.valeuraenergy.com.

Event title: Valeura Third Quarter 2018 Results Conference Call

Webcast link: https://event.on24.com/wcc/r/1860398/BD625302A0D752B16A148FBB991C2C98

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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

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.

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.

Short Production Test Rates

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 has been 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 tight gas wells have exhibited relatively high decline rates at more than 50% and 75%, respectively, in their first year of production.

There is currently no long-term flow information for the deep, unconventional BCGA play discovered with Yamalik-1. While the same geological formations that are producing gas in the shallow are being targeted in the deep, unconventional play, 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, unconventional 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.

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 ongoing nature of the long-term production test of the Yamalik-1 well; the expected formations, pressures, temperatures, and fluid properties to be encountered in the Inanli-1 well, and the correlation of this data to observations in the Yamalik-1 well; the intended drilling depth for the Inanli-1 well; the timing for receiving drilling results and progressing the forward work program on the Inanli-1 well including fracing and flow testing; management's belief regarding the potential of the Company's deep BCGA play and shallow gas business in the Thrace Basin, including expectations for future gas sales prices; Valeura's commitment to safety and optimizing operational and administrative functions; Valeura's business strategy and outlook; the Company's ability to finance future developments; and the timing for exploratory work related to a potential London listing of the Company's shares. 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; 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; the uncertainty regarding government and other approvals; counterparty risk; potential changes in laws and regulations; the risks associated with weather delays and natural disasters; and the risk associated with international activity. 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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