



VALEURA APPRAISAL DRILLING OPERATIONS UPDATE

Calgary, December 20, 2018: Valeura Energy Inc. (TSX:VLE) (“**Valeura**” or the “**Company**”), the upstream natural gas producer focused on appraising and developing an unconventional gas accumulation in the Thrace Basin of Turkey, is pleased to provide an update on appraisal drilling operations, which the Company is undertaking with its joint venture partner Statoil Banarli Turkey B.V. (“**Equinor**”).

The Inanli-1 appraisal well is drilling ahead at 4,145 metres with positive interim results.

Key Achievements:

- **Reservoir** – Based on drilling data and gamma ray log data recorded while drilling, the well encountered the top of the high net-to-gross objective section at approximately 3,270 metres and has drilled through 875 metres of prospective gross reservoir to date. Preliminary interpretation suggests the net-to-gross of the drilled section is at least as good as the approximately 40% net-to-gross encountered in the Yamalik-1 discovery well.
- **Over-pressured gas** – The well has encountered over-pressured gas throughout the objective section. There have been several instances of gas inflow to the wellbore which was safely brought to surface and flared. Drilling is progressing with a high mud weight of 1.77 sg (0.77 psi/ft) which, when coupled with the gas shows, indicate a highly over-pressured rock in line with pressure data recorded in Yamalik-1.
- **Fracturing** Observations based on cutting analysis and core acquired indicate that the well has encountered more naturally fractured rock, or fracture swarms, than encountered in Yamalik-1. Increased gas levels were recorded while drilling through these naturally fractured intervals. Early indications are that this supports the fracture interpretations from the 3D seismic data.

Forward Plan:

As a result of the positive indications so far in Inanli-1, Valeura is conducting an extensive data-gathering programme designed to confirm the Company’s preliminary assessments, which could include cutting additional core and, following drilling operations, a full suite of wireline logs. Operations are now expected to be complete in late January 2019, after which, the rig will be moved to the next appraisal well location, Devepinar-1, approximately 20 km to the west. Fracking and flow testing of Inanli-1 is expected to commence around the end of Q1 2019.

Additional information relating to Valeura is also available on SEDAR at www.sedar.com and on the Company’s corporate website at www.valeuraenergy.com.

For further information please contact:

Valeura Energy Inc. (General and Investor Enquiries) +1 403 237 7102
Sean Guest, President and CEO
Steve Bjornson, CFO
Robin Martin, Investor Relations Manager
Contact@valeuraenergy.com, IR@valeuraenergy.com

CAMARCO (Public Relations, Media Advisor) +44 (0) 20 3757 4980
Billy Clegg
Owen Roberts
Valeura@camarco.co.uk

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.

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 targeted drill depth of the Inanli-1 well, the Inanli-1 data-gathering programme, the expected completion date of the well, Valeura’s intent to frack and production test the well, and timing for the flow test phase. 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: continued political stability of the areas in which the Company is operating; continued safety of operations; continued timeliness of approvals forthcoming from the Turkish government and regulators in a manner consistent with past conduct; future drilling activity on the expected timelines; the prospectivity of the deep BCGA and shallow gas plays on the Company’s working interest lands; 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 programmes 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, fracking and other specialised 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 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; 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 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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