VALEURA ANNOUNCES FIRST QUARTER 2019
FINANCIAL AND OPERATING RESULTS

Calgary, May 9, 2019: Valeura Energy Inc. (TSX:VLE, LSE:VLU) ("**Valeura**" or the "**Company**"), the upstream natural gas producer focused on appraising and developing an unconventional gas accumulation play in the Thrace Basin of Turkey in partnership with Equinor, is pleased to report its financial and operating results for the three month period ended March 31, 2019.

The complete quarterly reporting package for the Company, including financial statements and associated management's discussion and analysis ("**MD&A**"), have been filed on SEDAR at www.sedar.com and posted on the Company's website at www.valeuraenergy.com. All dollar amounts are in CDN$ unless otherwise stated.

Highlights from Q1 2019 and Subsequent Events

- Average realised gas price of $9.20/Mcf, up 1.5% from Q4 2018;
- Average production of 768 boe/d, increased 23.3% from Q4 2018;
- Operating netback of $33.64/boe, up 3.6% from Q4 2018;
- Net working capital surplus of $56.1 million at March 31, 2019;
- Significant progress drilling to de-risk 10 Tcfe of gas resource, net to Valeura:
- Completed drilling the Inanli-1 appraisal well in January 2019 down to 4,885 metres encountering a 1,615 metre column of indicated over-pressured gas;
- Drilled the Devepinar-1 appraisal well to a total depth of 4,796 metres in April 2019 after drilling a 1,066 metre gross column of indicated over-pressured gas; and
- Completed an additional listing of the Company's common shares in the United Kingdom, with trading having commenced on the London Stock Exchange on April 25, 2019, under the ticker symbol VLU.

The Company's focus for Q2 and Q3 2019 activities will be on testing the flow potential of the long indicated gas columns intersected in its new wells as part of a process to de-risk the commerciality of its 10 Tcfe (286 BCM) of gas resource including 236 MMbbl (32 MMTonnes) condensate, net to Valeura. The stimulation and production testing will be conducted on a zone by zone basis to provide more definitive flow characteristics and to measure gas and condensate properties. Identifying the zones that yield sustained gas flow will be critical to demonstrate the commerciality of the Company's Basin Centred Gas Accumulation (the "**BCGA**") play and will underpin the next stage of appraisal and the forward work program.

Sean Guest, President and CEO commented:

"Our first quarter results from ongoing conventional operations were very strong, including realised prices above $9/Mcf and operating netbacks above $33/BOE. These metrics underscore the value of gas in Turkey and bolster our view of the significant value of our unrisked 10 Tcfe unconventional gas resource in the Thrace Basin, where we are partnered with Equinor.

We continued to build on our understanding of the geology of the BCGA play by appraisal drilling which substantiated our belief that the highly over-pressured sandstone interval extends vertically down to nearly 5,000 metres and laterally out to the far western flank of the play fairway. Our confidence in our ability to map and predict the gas in place has greatly increased, and we now fully turn our focus to a detailed production testing programme to identify the flow properties of the many different zones we have encountered.

Financially, we remain in an excellent position and we expect to exit the year with approximately $40 million in working capital after the significant 2019 work programme. Furthermore, we enter Q2 2019 with a clear forward plan to evaluate the commerciality of the play together with our partner Equinor."

Financial and Operating Results Summary

Table 1 Financial and Operating Results Summary

	Three Months Ended March 31, 2019	Three Months Ended December 31, 2018	Three Months Ended March 31, 2018
Financial (thousands $ except share and per share amounts)			
Petroleum and natural gas revenues	3,880	3,150	3,469
Adjusted funds flow (used) (1)	454	3,078	545
Net loss from operations	(3,070)	(634)	(2,435)
Exploration and development capital	5,682	3,282	874
Banarli Farm-in	(1,930)	-	-
Net working capital surplus	56,060	59,520	58,824
Cash	63,847	62,380	56,899
Common shares outstanding			
Basic	86,584,989	86,232,988	83,675,321
Diluted	92,406,655	90,831,655	90,973,321
Share trading (TSX:VLE)			
High	3.99	4.81	8.27
Low	2.25	2.34	3.30
Close	2.59	3.21	4.14
Operations			
Production			
Crude oil (barrels ("**bbl**")/d)	20	8	15
Natural Gas (one thousand cubib feet ("**Mcf**")/d)	4,488	3,689	5,066
BOE/d (@ 6:1)	768	623	859
Average reference price			
Brent ($ per bbl)	83.89	89.56	84.56
BOTAS Reference ($ per Mcf) (2)	9.45	9.18	7.49
Average realised price			
Crude oil ($ per bbl)	92.48	104.41	82.61
Natural gas ($ per Mcf)	9.20	9.06	7.37
Average Operating Netback ($ per BOE @ 6:1) (1)	33.64	32.48	25.34

Notes:

See 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.

(2) Boru Hatlari ile Petrol Tasima Anonim Sirketi ("**BOTAS**") owns and operates the national crude oil and natural gas pipeline grids in Turkey and purchases the majority of Turkey's natural gas imports. BOTAS regularly posts prices and its Level-2 Wholesale Tariff benchmark is shown herein as a reference price. See the Company's 2018 annual information form (the "**2018 AIF**") filed on SEDAR for further discussion.

Net petroleum and natural gas sales in Q1 2019 averaged 768 boe/d, which was 23% higher than Q4 2018. This reflects strong ongoing performance from the Company's recent workover programme on wells producing from conventional reservoirs.

Production revenue in Q1 2019 was $3.9 million, an increase of 23% over Q4 2018. This is primarily the result of higher production during the quarter combined with continuing strong prices. Turkey's BOTAS Reference Price for gas increased by 2.9% over the prior quarter, and average operating netbacks were $33.64/boe, an increase of 3.6% over the prior quarter.

Exploration and development capital spending increased to $5.7 million in Q1 2019 as Valeura started paying its working interest share for the Devepinar-1 well. Capital spending was offset by a $1.9 million payment received from Equinor in relation to the final tabulated cost for the Karaca 3D seismic programme, compared to the commitment under the Banarli Farm-in.

As of March 31, 2019, the Company had a net working capital surplus of $56.1 million.

2019 Outlook

The Company has built a strong understanding of the geology of its BCGA play and has demonstrated the presence of high-pressure gas across the basin down to circa 5,000 metres. There are now 11 wells around the basin that have all intersected high pressure gas at depth, with the most recent being Yamalik-1, Inanli-1, and Devepinar-1, drilled by Valeura and its partners. The drilling results from Inanli-1 and Devepinar-1 this year have increased the Company's confidence in its ability to predict reservoir, gas, and stratigraphic intervals that may be more naturally fractured. At the same time, uncertainty related to the amount of in-place gas volumes across Valeura's lands has been reduced. The next, and critical, step will be stimulation and production testing many of the different zones that have been intersected to demonstrate that the gas will flow at sustainable, commercial rates.

In Q2 2019, the Company will commence a zone by zone stimulation and production testing programme across the two new wells. Inanli-1 intersected a gross gas column of 1,615 metres and the Company has just completed two separate Diagnostic Fracture Integrity Tests ("**DFITs**") that have indicated the gas is at very high pressure at depth. Devepinar-1 encountered a 1,066 metre gross gas column and is interpreted to have better porosity than previous wells. There are significant variations in the reservoir and gas properties encountered, owing to the very long vertical sections penetrated and the substantial separation between the two wells, of approximately 20 kilometres. Therefore individual zone by zone testing is critical to understand how each interval will behave under flow conditions. Additionally, the Company has reviewed the production logging test (the "**PLT**") data from the Yamalik-1 well with Equinor and is now developing a plan to re-enter the well, with a view to isolating a portion of the column to conduct further selective zonal flow testing. These operations are expected to commence within the next month and will continue through Q2 and Q3 2019.

The objective of testing these wells is to attain sustainable gas production rates and to ascertain the properties of the gas and condensate from each of the target zones. The Company intends to stimulate and test a minimum of eight separate intervals in the new wells, but this could increase to 12 with success. For such testing in the vertical wells, initial production rates are less critical, as the Company believes that future initial production rates and ultimate recoveries per well will be greatly increased with horizontal drilling and multi-stage stimulation. Demonstrating sustained flow from a single zone will greatly increase the chance of a commercial development of the Company's BCGA resource, which has been evaluated by DeGolyer and MacNaughton, effective December 31, 2018, at 10.1 Tcfe estimated working interest unrisked mean prospective resources of natural gas, which includes 236 MMbbl of condensate.

Valeura remains very well positioned to finance its ongoing BCGA appraisal and all corporate activities through to 2020. The Company's working capital position is more than adequate to fund its working interest share of the stimulation and testing programme, and the Company expects to exit the year with approximately $40 million of positive working capital. In all its activities, the Company remains committed to continuing its safe and environmentally responsible operations and ensuring that operational and administrative functions are conducted in the most cost-efficient way.

Annual Meeting

Valeura will hold its annual meeting of shareholders today, May 9, 2019 at 09:00 (Calgary time) in the Northcote Room at the Bow Valley Square Conference Centre, Level 3, Bow Valley Square 2, 202-6th Ave. S.W., Calgary, Alberta, Canada.

Please visit the following link to view a live webcast of the proceedings, including a presentation by Sean Guest, President and Chief Executive Officer. The meeting will start at 09:00 (Calgary) / 11:00 (Toronto) / 16:00 (London) on Thursday, May 9, 2019.

https://event.on24.com/wcc/r/1961675/E121886CA3B09AA1B89AD7220123A9A2

About Valeura Energy

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

Since Valeura was established in 2010, the Company has executed a number of transactions and currently holds interests in 20 production leases and exploration licences in the Thrace Basin of Turkey totalling 0.46 MM acres (gross) or on a net basis 0.37 MM acres of shallow rights and 0.26 MM net acres of deep rights.

Valeura is appraising an unconventional BCGA play in the Thrace Basin on its deep rights, which has been evaluated by DeGolyer and MacNaughton to hold, effective December 31, 2018, 10.1 Tcfe of estimated working interest unrisked mean prospective resources of natural gas, which includes 236 MMbbl of condensate. By applying 3D seismic, modern reservoir stimulation technology and horizontal and deeper vertical well drilling, Valeura is aiming to achieve commercial scale operations from this tight gas resource.

In addition, the Company owns an extensive network of gas gathering and sales infrastructure to support direct marketing of natural gas to end users, and in 2018, produced an average of 4.3 MMcf/d of natural gas from conventional gas accumulations in its shallower rights.

The Company is listed on both the TSX Exchange under VLE and on the Main Market of the London Stock Exchange under VLU.

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.

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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 2018 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 stabilised 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 stimulated unconventional 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. 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 deep, unconventional well production rates. 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.

Prospective Resources

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.

There is no certainty that any portion of the prospective resources will be discovered. 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.

Please see the 2018 AIF, which is available under Valeura's issuer profile on SEDAR at www.sedar.com, for more information with respect to the Company's prospective resources, including details regarding risked estimates.

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 characteristics and objectives of the Inanli-1, Devepinar-1 and Yamalik-1 (re)completion programmes; Valeura's intention to stimulate and production test the Inanli-1 and Devepinar-1 well; the timing to commence reservoir stimulation and testing and/or recompletion operations; the number of well tests Valeura intends to conduct; the expectation that future initial production rates and ultimate recoveries per well will increase with horizontal drilling and multi-stage reservoir stimulation; the expectation that sustained flow will increase the change of commercial development; Valeura's expectations with respect to working capital at the end of 2019; the assessment of the resources in the test formations; the potential of the Company's unconventional basin-centered gas accumulation play in the Thrace Basin; and the Company's intention to achieve commercial scale operations. 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" include volumes of prospective resources and the ability to finance future development and, the conversion of a portion of prospective resources into reserves.

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 and ability to proceed in a timely manner; continued operations of and approvals forthcoming from the Turkish government and regulators in a manner consistent with past conduct; future seismic and drilling activity on the expected timelines; the continued favourable pricing and operating netbacks in Turkey; future production rates and associated operating netbacks and cash flow; decline rates; future sources of funding; future economic conditions; future currency exchange rates; the ability to meet drilling deadlines and other requirements under licenses 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, reservoir stimulation 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. Exploration, appraisal, and development of oil and natural gas reserves are speculative activities and involve a degree of risk. 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; 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 or civil unrest in Turkey; potential changes in laws and regulations, the uncertainty regarding government and other approvals; counterparty risk; 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 AIF for a detailed discussion of the risk factors.

Any financial outlook or future oriented financial information in this news release, as defined by applicable securities legislation, has been approved by management of Valeura, including, but not limited to, Valeura's expectations with respect to working capital at the end of 2019. Such financial outlook or future oriented financial information is prfovided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.