Press Release – August 25, 2011

VALEURA ANNOUNCES SECOND QUARTER 2011 FINANCIAL AND OPERATING RESULTS

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSXV: VLE) is pleased to report highlights of its unaudited financial and operating results for the three and six month periods ended June 30, 2011, and to provide an update on subsequent developments. The complete quarterly reporting package for the Corporation, including the unaudited financial statements and associated management's discussion and analysis, has been filed on SEDAR at www.sedar.com and posted on the Corporation's website at www.valeuraenergy.com.

HIGHLIGHTS

Operational

- Transformed the Corporation with completion of the acquisition of producing assets in Turkey from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**") on June 8, 2011 at a final adjusted purchase price of $53.7 million:
  - Increased proforma petroleum and natural gas sales to 1,874 BOE/d (93% natural gas in Turkey) in the second quarter of 2011, assuming the TBNG-PTI volumes were booked for the full quarter, which is a seven-fold increase from the same period in 2010 at the start-up of the Corporation.
  - Increased land holdings in Turkey to approximately 2.6 million gross acres (1.0 million net), assuming all farm-in interests are earned.
  - Acquired an established shallow gas production and marketing business in the Thrace Basin of Turkey, which is currently realizing wellhead prices of approximately US$7.00/Mcf and includes wells, gathering and sales lines, compression and a diverse direct-sales customer base.
  - Increased exposure to a potentially significant tight gas resource play in the Thrace Basin below the existing shallow gas production. The Corporation now holds interests in approximately 972,000 gross acres (481,000 net) of onshore lands in the Thrace Basin, assuming all farm-in lands are earned.
- Financed the TBNG-PTI acquisition with $81.1 million in proceeds (net of share issuance costs) from a subscription receipts financing which closed on February 28. Funds were released from escrow on June 8 upon closing the acquisition. At June 30, 2011, the Corporation had a working capital surplus of $37.1 million.
- Executed an active shallow gas exploration and development program on the onshore TBNG-PTI lands (40% Valeura working interest):
  - Completed 12 workovers and recompletions (gross) on existing wells in the shallow Danismen and Osmancik formations during the second quarter and eight (gross) in July. The aggregate initial production rate for these 20 workovers and recompletions (gross) was approximately 8,000 Mcf/d (gross) (533 BOE/d net).
  - Spudded eight wells (gross) in the second quarter and three wells (gross) in July, of which seven are in various stages of completion, one is suspended with plans to deepen, one was drilling at the end of July and two were abandoned. Four of these wells were drilled into the deeper Mezardere formation. All wells were drilled on existing 2D seismic control.
  - Commenced two 3D seismic surveys in late July in the Tekirdag and Hayrabolu areas on the TBNG-PTI lands covering an area of 263 km^2 and 200 km^2, respectively, at an expected cost of approximately US$4.7 million (net). Fully interpreted results are expected in the first quarter of 2012. These are the first 3D seismic surveys on the TBNG-PTI lands and are designed to build the drillable prospect inventory in the shallow gas play and in the deeper tight gas play.
  - Completed single-stage fracs on the Bati Kazanci-3 and Bati-Kazanci-4 wells in relatively tight sand intervals in the shallow Osmancik formation. These wells had been previously suspended after recovering only minor amounts of gas. Bati Kazanci-3 achieved an initial flow rate of approximately 100 Mcf/d (gross). Bati Kazanci-4 is currently shut-in due to high formation water production.

- Initiated a "proof-of-concept" modern fracture stimulation ("**frac**") program in late July 2011 in the deeper, undeveloped tight gas sands in the Mezardere formation on the TBNG-PTI lands:
  - Completed a two-stage frac on the Yazir-2 well in two tight sand intervals in the Mezardere formation at depths of approximately 1,100 metres and 885 metres. The frac appears to have intersected a high pressure water zone and only a trace amount of gas was produced.
  - Preparatory work is underway on the second well re-entry and frac in the Mezardere formation on the Kayi-15 well. The planned frac interval has been perforated at a depth of approximately 1,230 metres. A pre-frac injection test and a swabbing operation to confirm producible gas have been completed. It is planned to carry out a more directed, limited-entry frac into the five sets of perforations in September.
  - The proof-of-concept program is expected to include up to eight well re-entries with at least a single-stage frac and up to seven new drills and an associated frac. The 2011 program will target various tight sand intervals in the Mezardere formation and test a range of frac volumes and frac geometries to build a learning curve and optimize the expected go-forward program in 2012.
- Drilled two gross exploration wells on the Edirne Licence in the Thrace Basin in the second quarter of 2011 of which one is awaiting completion and one was abandoned. In addition, three workovers and recompletions were carried out.
- Executed a farm-in agreement on May 4, 2011 with Marhat Marmara Boru Hatlari Ins. Muh Taahh.san.Tic.Ltd.sti. ("**Marhat**") to earn a 100% working interest and operatorship of Exploration Licence 4201. The licence covers an area of 122,000 acres (gross) in the Thrace Basin. The working interest is subject to overriding royalties of 6.0% to Marhat and 0.6% to an affiliate of TransAtlantic Petroleum Ltd. ("**TransAtlantic**"). Under the farm-in terms, Valeura will be required to drill two exploration wells into the Mezardere formation.
- Executed a farm-in agreement on June 13, 2011 with an affiliate of TransAtlantic to earn a 50% working interest in two exploration licences 4094 and 4532 in the Thrace Basin. The licences cover an area of approximately 242,000 acres (gross). Under the farm-in terms, Valeura will be required to fund acquisition of 150 km^2 of 3D seismic and two exploration wells to a depth of at least 1,500 metres.
- Filed an application with the Toronto Stock Exchange ("TSX") on July 20, 2011 to graduate to a TSX listing. Subject to the TSX's approval of this application, the Corporation plans to consolidate its issued and outstanding common shares on a 10:1 basis at that time.
- Valeura is one of five companies that submitted conforming bids for an exploration licence on the area previously encompassed by Licence 2600, one of the cancelled Rubai Licences near the borders with northern Iraq and Syria, as published in Turkey's Official Gazette on June 25. The timing of a decision on the award of this licence is unknown.
- An application by Aladdin Middle East Ltd. ("**AME**") and Guney Yildizi Petrol Uretim Sondaj, Muteahhitlik ve Ticaret A.S. ("**GYP**") to extend the term of the Karakilise Exploration Licence 2674 to May 30, 2014 was published in Turkey's Official Gazette on June 26. This is a positive development but the timing of a final GDPA decision is unknown. If the licence extension is granted, it is expected that Valeura will fund the deepening of the Altinakar-1 well to the primary exploration target in the Bedinan Formation.
- Petroleum and natural gas sales in the second quarter of 2011 averaged 692 BOE/d (net), including 129 BOE/d in Canada, 242 BOE/d from Valeura's 35% interest in the Edirne Licence for the full quarter and 321 BOE/d from Valeura's 40% interest in the TBNG-PTI lands for the post-closing period June 9 to 30.

Financial

- Funds flow from operations in the second quarter of 2011 was negative ($1,622,240) compared to negative ($885,673) in the second quarter of 2010, reflecting higher G&A expenses related to the growth in business activities, partially offset by higher petroleum and natural gas sales related to the Edirne and TBNG-PTI asset acquisitions.
- Capital expenditures in the second quarter of 2011 were $55,650,606 compared to $449,670 in the second quarter of 2010 reflecting the closing of the TBNG-PTI asset acquisition in Turkey.
- As at June 30, 2011, the Corporation had a positive working capital surplus of $37.1 million, including cash and cash equivalents of $32.5 million. This compares to a working capital surplus of $27.4 million as at June 30, 2010.

RESULTS SUMMARY

(Three and six month periods unaudited)	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Financial ($ except share and per share amounts)				
Petroleum and natural gas revenues (net)	2,707,193	892,878	3,269,325	1,754,225
Funds flow from operations [(1)]	(1,622,240)	(885,673)	(3,546,565)	(1,233,190)
Net loss	(4,359,006)	(3,194,474)	(8,621,015)	(4,901,585)
Capital expenditures	55,650,606	449,670	59,848,568	843,847
Net working capital surplus			37,101,075	27,436,979
Common shares outstanding				
Basic	464,061,475	198,327,621	-	-
Diluted	645,859,765	235,880,121	-	-
Share trading				
High	0.48	0.90	-	-
Low	0.25	0.37	-	-
Close	0.25	0.41	-	-
Operations				
Production				
Crude oil & NGLs (bbl/d)	57	97	55	87
Natural Gas (Mcf/d)	3,810	994	2,219	980
BOE/d (@ 6:1) [(2)]	692	263	425	251
Average reference prices				
Edmonton light (Cdn$/bbl)	103.07	75.13	95.11	77.59
AECO-5A Daily Spot (Cdn$/Mcf)	3.87	3.89	3.82	4.41
BOTAS reference - Turkey (Cdn$/Mcf) [(3)]	8.18	8.79	8.22	8.93
Average realized prices				
Crude oil (Cdn$/bbl)	82.20	66.44	76.35	68.46
Natural gas liquids (Cdn$/bbl)	48.97	45.84	51.50	45.52
Natural gas - Turkey (Cdn$/Mcf)	7.05	-	7.05	-
Natural gas - consolidated (Cdn$/Mcf)	6.68	3.83	6.36	4.32
Average operating netback (Cdn$ per BOE @ 6:1) [(1) (2)]	24.82	12.01	22.03	14.60

Notes:

(1) The above table includes non-IFRS measures, which may not be comparable to other companies. Funds flow from operations is calculated as net 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. See MD&A for further discussion.

(2) BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6.0 Mcf:1.0 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

(3) Boru Hatlari ile Petrol Tasima Anonim Sirketi ("**BOTAS**") owns and operates the national crude oil pipeline grid and the national natural gas pipeline grid in Turkey. BOTAS regularly posts prices and its Industrial Interruptible Tariff benchmark is shown herein as a reference price. See the 2010 Annual Information Form for further discussion.

OUTLOOK

Operations

The Corporation's primary focus at this time is to "bed-down" the assets acquired in the TBNG-PTI transaction which is the largest of five transactions executed in Turkey since September 2010 and the Corporation's largest source of cash flow.

With respect to the shallow gas business in the Thrace Basin, work is focused on replenishing the inventory of well recompletions and workovers on existing wells through an intense effort to look at all producing and suspended wells. These opportunities have the lowest cost and promise the quickest payout. To build the inventory of drillable prospects (both exploration and development) and to improve the drilling success rate, a large 3D seismic program is underway in two high potential areas on the TBNG-PTI lands where significant operations are already in place. The fully interpreted results are not expected until the first quarter of 2012. In the meantime, the Corporation is focussed on high-grading the 2011 drilling inventory on the existing 2D seismic and deferring some earlier planned drilling until the 3D seismic interpretation is available.

Unlocking the potential in the deeper tight gas play in the Thrace Basin is a major priority for the Corporation. A deliberate program has been kicked-off to build a comprehensive knowledge base through acquisition of new seismic, more sophisticated well logging, more extensive core analysis work, new geological and geophysical studies and a series of "proof-of-concept" field experiments with various frac designs and target tight sand intervals in the Mezardere formation.

Accordingly, the Corporation's work program and budget for 2011 has three main objectives:

- Sustaining the shallow gas business in the Thrace Basin;
- Proving-up the potential of the tight gas play in the Thrace Basin;
- Fulfilling exploration-focused work programs on high potential farm-in acreage in the Thrace Basin (gas targets) and in the Anatolian Basin (oil targets).

The Corporation has modified its outlook for capital expenditures in 2011 to approximately $20 million compared to earlier guidance of $30 to 35 million based on the results of partner budget meetings in Turkey in late June. This change relates primarily to deferral of some discretionary exploration expenditures. The revised budget outlook excludes any capital invested on the TBNG-PTI and Edirne lands prior to the closing date of these acquisitions, which amounts were reflected in purchase price adjustments. The budgeted funds are essentially all directed to Turkey and include estimates of: $11.7 million for up to 19 drill wells (gross), of which six are shallow gas wells and seven are deeper Mezardere tests (drill and frac) on the TBNG-PTI lands; $2.6 million for up to 50 workovers and eight fracs (gross) on existing wells in the Thrace Basin; and, $5.7 million for up to 463 km^2 of 3D seismic and 100 km of 2D seismic in the Thrace Basin.

The Corporation has essentially completed Phase I of the AME-GYP farm-in and is in discussion with AME-GYP on next steps, including possible deepening of the Altinakar-1 well to test the Bedinan formation, contingent on the GDPA granting an extension to the term of Licence 2674. Under terms of the farm-in, Valeura must invest a minimum of US$8.8 million in Phase I to earn a 25% working interest in two exploration licences at Karakilise and a production lease at Kahta. The scope of the ultimate investment and earning under the AME-GYP farm-in is under review for further discussion with AME-GYP.

Business Development

The Corporation is pursuing other farm-in and acquisition opportunities in Turkey. These have the potential to further expand the Corporation's acreage position, particularly in the Thrace Basin.

The Corporation is also pursuing other opportunities in the region, particularly oil-weighted opportunities, to complement its position in Turkey.

NEW WEBSITE LAUNCHED

The Corporation has created launched a new website and has updated its August 2011 corporate presentation, both of which can be accessed on the Corporation's website at www.valeuraenergy.com.

ABOUT THE CORPORATION

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

CAUTION REGARDING ENGINEERING TERMS

When used herein, the term "**BOE**" means barrels of oil equivalent on the basis of one BOE being equal to one barrel of oil or NGLs, or 6,000 cubic feet of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6.0 Mcf: 1.0 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements including, but not limited to: the extent and timing of the frac program on the TBNG-PTI lands; the approval of the GDPA for the extension of the term on Licence 2674; the resumption of drilling to a deeper target in the Altinakar-1 well on Licence 2674; the extent of Valeura investment and earning under the AME-GYP farm-in; anticipated work programs and operational plans and the timing associated therewith; and, the Corporation's plans to graduate to a TSX listing and consolidate its common shares on a 10:1 basis. Forward-looking information typically contains statements with words such as "anticipate", "estimate", "expect", "potential", "could", "would" or similar words suggesting future outcomes. The Corporation cautions readers and prospective investors in the Corporation'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 Corporation.

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 Corporation is anticipating completing transactions; continued operations of and approvals forthcoming from the GDPA in a manner consistent with past conduct; results of future seismic programs; future drilling activity; future capital and other expenditures (including the amount, nature and sources of funding thereof); future economic conditions; future currency and exchange rates; the Corporation's continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner; and, the receipt of all necessary third party and regulatory approvals for transactions and the plans of the Corporation. In addition, budgets are based upon the Corporation's current acquisition plans, work programs proposed by partners and associated exploration plans and anticipated costs, both of which are subject to change based on, among other things, the actual results of acquisitions, drilling activity, unexpected delays and changes in market conditions. Although the Corporation 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 significant degree of risk. A number of factors could cause actual results to differ materially from those anticipated by the Corporation including, but not limited to, risks associated with the oil and gas industry (e.g. operational risks in exploration; inherent uncertainties in interpreting geological data; changes in plans with respect to exploration or capital expenditures; the uncertainty of estimates and projections in relation to reserves, production, costs and expenses; and health, safety, and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with negotiating with third parties in countries other than Canada, the uncertainty regarding competitive bidding rounds (including the application made in respect of Licence 2600 in Turkey) and timing of results, the risk of partners having different views on work programs and potential disputes among partners, the uncertainty regarding government and other approvals 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.

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

For further information please contact:

Jim McFarland, President and CEO
Valeura Energy Inc.
(403) 930-1150
jmcfarland@valeuraenergy.com

Steve Bjornson, CFO
Valeura Energy Inc.
(403) 930-1151
sbjornson@valeuraenergy.com

www.valeuraenergy.com

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