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Press Release – January 9, 2012

VALEURA PROVIDES QUARTERLY OPERATIONAL UPDATE

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to provide an update of its fourth quarter 2011 operational activities in Turkey and Canada, including results from its proof-of-concept fracture stimulation ("**frac**") program in the Thrace Basin of Turkey. The Corporation expects to release its complete interim unaudited financial and operating results for the fourth quarter of 2011, including final sales volumes, and audited results for the twelve month period ended December 31, 2011 on March 10, 2012.

"The Corporation's recompletion and fracture stimulation programs in the Thrace Basin continue to yield very strong results, contributing to a 13% quarter-over-quarter increase in consolidated net production in Turkey and Canada to approximately 1,852 BOE/d in the fourth quarter", said Jim McFarland, President and Chief Executive Officer. "We maintained momentum through the quarter and exited 2011 at an average consolidated rate of approximately 2,050 BOE/d in December."

"To date, we have frac'd eight wells in tight gas sand intervals in the Mezardere Formation, including five in the fourth quarter. We are very encouraged by the results in terms of post-frac production rates, cost and repeatability. As a result, we expect to grow the frac program in 2012 and have budgeted at least 12 re-entry fracs and up to 18 drill and fracs, which could include a number of multi-stage fracs. The results are also expected to have a positive impact on an initial assessment of the size of the tight-gas resource base on our acreage in the Thrace Basin, which is underway and expected to be completed in the first quarter of 2012."

PRODUCTION UP 13% IN THE FOURTH QUARTER

Valeura's estimated consolidated working interest share of petroleum and natural gas production in Turkey and Canada was approximately 1,852 barrels of oil equivalent per day (BOE/d) in the fourth quarter of 2011, up 13% from the third quarter. This increase is a direct result of successful natural gas recompletions and fracs in the Thrace Basin of Turkey.

Estimated Turkish net production in the fourth quarter (all natural gas) was approximately 10.6 MMcf/d (1,767 BOE/d), including approximately 9.5 MMcf/d (1,576 BOE/d) from Valeura’s 40% interest in onshore producing lands in the Thrace Basin acquired from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**"), and approximately 1.1 MMcf/d (191 BOE/d) from Valeura’s 35% interest in the Edirne Licence in the Thrace Basin. Estimated Canadian production in the fourth quarter was approximately 85 BOE/d.

Turkish production continued to grow through the fourth quarter and as a result, consolidated 2011 exit production, as measured by average net production in December, was approximately 2,050 BOE/d, which included approximately 11.8 MMcf/d of gas production in Turkey.

THRACE BASIN FRAC PROGRAM DEMONSTRATING SUCCESS AND REPEATABILITY

The proof-of-concept frac program on the TBNG-PTI Thrace Basin lands in the deeper, undeveloped tight gas sands in the Mezardere Formation commenced in late July 2011 and by the end of December, eight wells had been frac'd at an average cost per frac of approximately US$500,000 to 600,000 (gross). The aggregate peak 24-hour on-stream production rate from these fracs was approximately 15.3 MMcf/d. The initial seven-day average production rate was approximately 11.3 MMcf/d (gross). The frac results are summarized in Table 1 below.

Table 1 Thrace Basin Mezardere Formation Frac Results (Gross)

WELL	FRAC DATE (d/m/y)	NET PAY (m)	POROSITY (%)	PEAK 24-HOUR ON-STREAM RATE (MMcf/d)	INITIAL 7-DAY AVERAGE ON-STREAM RATE (MMcf/d)
Yazir-2; 1st stage	18/07/2011	27	8.5	0.1	0.1
Yazir-2; 2nd stage	1/08/2011	46	10	-	-
Kayi-15	30/09/2011	20	17	0.6	0.5
BTD-2	3/10/2011	9	16	4.3	3.3
Aydede-2	22/11/2011	4	20	2.2	1.4
DTD-7	28/11/2011	9	14	0.2	0.1
Kayi-14	7/12/2011	13	17	5.0	3.7
Dogu Yagci-1	12/12/2011	10	14	2.0	1.5
Aydede-1	14/12/2011	10	15	0.9	0.7

By way of background, the fracs carried out to date in this program have involved injecting a mixture of water and sand into a small perforated interval in the well casing to induce a fracture which propagates both horizontally and vertically within the target formation to create a high porosity and permeability channel to stimulate higher gas production rates. Frac sizes as measured by the amount of injected sand have ranged from 13,000 to 154,000 pounds.

These early results have provided important lessons in terms of frac geometry and frac fluids for the design of the expanded program in 2012. There are also other potential target zones in stacked-pay intervals within these frac'd wells and the successful results have set up a number of surrounding drill and frac locations in the Mezardere formation.

The fracs completed to date have confirmed commercial gas production from at least one sand interval in the Mezardere Formation within structural closure on several structures on the TBNG-PTI lands. The stacked nature of the sandstone intervals within the Mezardere formation, which is up to 1,600 metres thick, and the limited number of deep penetrations to date on these structures provides significant running room for additional drilling and multi-stage fracs as the program matures.

The Corporation's 2012 program in the Thrace Basin is expected to include fracs in the Mezardere Formation in existing wells and planned new drills on other defined structural closures, and in new exploration wells on other structural prospects and leads, contingent on drilling results. Up to 12 well re-entry fracs and 18 drill and fracs have been budgeted as part of the Corporation's planned 2012 capital program.

THRACE BASIN SHALLOW GAS RECOMPLETION PROGRAM CONTINUING TO YIELD STRONG RESULTS

TBNG-PTI Lands (Valeura 40%)

Valeura participated in 37 recompletions (gross) on existing wells in the shallow Danismen and Osmancik formations during the fourth quarter of 2011. These recompletions have involved perforating bypassed pay behind casing identified in a thorough ongoing review of electrical logs on these wells. The aggregate initial production rate from these fourth quarter recompletions was approximately 13 MMcf/d (gross) at an average well recompletion cost of approximately US$40,000 (gross).

Valeura participated in spudding two wells (gross) on the TBNG-PTI lands in the fourth quarter of 2011, both of which were spudded at the end of December and are currently drilling. The Sulemaniye-2 well is a 2,400 metre test on a large four-way, dip-closed structure in Licence 3734 in the western part of the TBNG-PTI lands. The well is targeting gas in the shallow Osmancik Formation and the deeper Mezardere Formation. An earlier down-dip well on the structure tested gas. The Guney Osmanli-2 well on Licence 3931 is a shallow 1,250 metre test targeting gas in the Osmancik Formation.

Edirne Licence (Valeura 35%)

Net production from the Edirne Licence 3839 declined in the fourth quarter to approximately 1.1 MMcf/d compared to 1.3 MMcf/d in the third quarter. There were no workovers or new drills carried out during the fourth quarter.

The General Directorate of Petroleum Affairs of the Republic of Turkey ("**GDPA**") has approved a six-month extension of the drilling commitment on the Edirne Licence to July 20, 2012, which will facilitate completion of a re-interpretation of the existing 3D seismic incorporating 2011 drilling results prior to any potential new drilling.

EXPECT TO ACQUIRE 24% INTEREST IN THREE NEW THRACE BASIN LICENCES

Valeura expects to acquire a 24% participating interest in three exploration licences 3998, 3999 and 4187 covering an area of 242,440 acres (gross) or 58,168 acres (net) in the western reaches of the Thrace Basin, contiguous with Valeura's existing acreage and extending to the Greece border. This interest is expected to be acquired from Guney Yildizi Petrol Uretim Sondaj, Muteahhitlik ve Ticaret A.S. ("**GYP**") for a payment of US$1.5 million under a binding letter agreement executed on November 14, 2011. Definitive agreements are currently being finalized.

In the meantime, an application was submitted to the GDPA by the licence holders on December 30, 2011 to transfer the licence interests to Valeura. Upon the expected completion of this transaction, Valeura's onshore land position in the Thrace Basin will grow to 1,215,867 acres (gross) or 540,418 acres (net).

Only three wells have been drilled on these new licences and one of these had encouraging gas shows and tests in the Osmancik and Lower Danismen formations.

PROCESSING COMPLETED ON 413 KM^2 OF NEW 3D SEISMIC IN THE THRACE BASIN

Processing was completed at the end of December 2011 on the 413 km^2 of new 3D seismic acquired in the Tekirdag and Hayrabolu areas on the TBNG-PTI lands in 2011. Interpretation of the full survey is expected to be available by April 2012. However, fast-track processing and interpretation of approximately 100 km^2 of the survey has been completed and is currently being utilized to guide the planned drilling program in the first quarter of 2012.

EXPECT TO FINALIZE 27.5% EARNING UNDER AME-GYP FARM-IN IN SOUTHEAST TURKEY

Under a binding letter agreement executed on November 14, 2011 with GYP and Aladdin Middle East Ltd. ("**AME**"), Valeura is expected to earn a final agreed participating interest of 27.5% in the two Karakilise Licences 2674 and 2677. GYP will operate the two licences. Definitive agreements are currently being finalized.

Under the terms of the letter agreement, Valeura will fully fund the first US$1.3 million of the deepening cost of the Altinakar-1 well to the primary exploration target of light oil in the Bedinan Formation at a depth of approximately 2,500 metres. Valeura funded the drilling of the original well to a depth of approximately 1,562 metres in early 2011, which discovered heavy oil in the Mardin Group. The total cost of the deepening operation is expected to be approximately US$2.0 million (gross) or US$1.5 million (net).

The deepening operation commenced on January 6, 2012 and is expected to take up to 30 days to reach final depth.

GDPA APPROVAL OF LICENCE TRANSFERS AND EXTENSIONS PROCEEDING AS EXPECTED

The GDPA has approved the transfer of licence interests to affiliates of Valeura for all of the transactions fully executed in 2011 involving 21 leases and licences. These transfers were approved within the expected timeline of three to six months.

The only outstanding application is associated with the acquisition of the 24% interest in three Thrace Basin licences from GYP, which was submitted to the GDPA on December 30, 2011 and is currently under review.

Applications are expected to be made in late January 2012 to transfer a 50% interest to Valeura in Licences 4094 and 4532 in the Thrace Basin under an earlier farm-in transaction with an affiliate of TransAtlantic Petroleum Ltd., and a 27.5% interest in two Karakilise Licences 2674 and 2677 in southeast Turkey under the AME-GYP farm-in agreement.

The GDPA has approved a two-year extension of Exploration Licence 4126 in the Thrace Basin to December 13, 2013. This licence is on the eastern end of the TBNG-PTI lands and has been lightly explored to date.

EXPLORATION PORTFOLIO IN TURKEY BEING HIGHGRADED

The Company has been reviewing its acreage position acquired in the TBNG-PTI acquisition in 2011 with a view to high-grading the portfolio and the associated exploration commitment expenditures outside the core onshore areas in the Thrace Basin.

In December 2011, the partners in Exploration Licence 4638 (Valeura 26%) in the Gaziantep area of southeast Turkey submitted an application to the GDPA to relinquish the licence, which was subsequently approved. This voluntary relinquishment was carried out to minimize exploration expenditures on a licence that was viewed as having limited prospectivity. The partners have retained four other Licences 4607, 4648, 4649 and 4656 in this area.

The partners in the deep offshore Exploration Licences 4322, 4323, 4324, 4459 and 4460 (Valeura 35%) in the Sea of Marmara have reviewed the exploration potential of these licences and the status of farm-out efforts by the operator Tiway Oil, which have been unsuccessful. It was agreed that the best course of action is to relinquish these licences in advance of a district drilling commitment in March 2012. An application to the GDPA to relinquish the licences is expected to be submitted in late January 2012. The shallow offshore portions of Licences 3931, 3934 and 4126 will be retained.

Following these expected relinquishments, the Corporation's land position in Turkey will total 2,062,707 acres (gross) or 751,414 acres (net).

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, timing for tying in production and expected production rates; timing for completion of interpretation of the Thrace Basin 3D seismic program and drilling of locations thereafter; finalization of definitive agreements to complete Valeura's earning under the AME-GYP farm-in and acquisition of GYP's interest in three Thrace Basin Licences 3998, 3999 and 4187; timing and outcome of GDPA applications to transfer various licence interests to Valeura in Licences 2674 and 2677 in southeast Turkey and Licences 3998, 3999, 4094, 4187 and 4532 in the Thrace Basin; the timing and cost to complete the deepening of the Altinakar-1 well in Licence 2674; and, anticipated work programs and operational plans and the timing associated therewith. 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 approvals for transactions. 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, and changes in plans with respect to exploration or capital expenditures, the uncertainty of estimates and projections in relation to costs and expenses, and health, safety, and environmental risks); the uncertainty regarding the sustainability of initial production rates and decline rates thereafter; the risk of commodity price and foreign exchange rate fluctuations; the uncertainty associated with negotiating with third parties in countries other than Canada; 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

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