Press Release – May 15, 2012

VALEURA ANNOUNCES FIRST QUARTER 2012 FINANCIAL AND OPERATING RESULTS

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to report highlights of its unaudited financial and operating results for the three month period ended March 31, 2012 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.

"Natural gas price realizations were very strong in Turkey in the first quarter at $7.77 per Mcf, up 6% from the fourth quarter of 2011, which partially offset the impact of 15% lower volumes and contributed to a consolidated operating netback of $33.17 per boe in the quarter", said Jim McFarland, President and Chief Executive Officer. "Wellhead natural gas prices have increased by a further 20% on April 1 to a range of $9.20 to $9.40 per Mcf to track an increase in Turkish reference prices. Drilling has ramped-up as of early April with three drilling rigs currently operating in the Thrace Basin which we expect will have a positive impact on volumes by mid-year as new wells are tied-in."

OPERATIONAL HIGHLIGHTS

- Petroleum and natural gas sales in the first quarter of 2012 averaged 1,572 barrels of oil equivalent per day ("**BOE/d**") (net), down 15% from the fourth quarter of 2011 due primarily to deferral of drilling in the Thrace Basin of Turkey pending completion of the interpretation of new 3D seismic shot in late 2011. Sales volumes in the first quarter of 2012 were up ten-fold from the first quarter of 2011 due to the acquisition of additional Turkish production.
- Turkish net production in the first quarter of 2012 averaged 1,502 BOE/d, including 8.9 million cubic feet per day ("**MMcf/d**") of natural gas at an average wellhead price of $7.77 per Mcf and 16 barrels of oil per day ("**bopd**") from operations in the Thrace Basin. Canadian production was 70 BOE/d.

Thrace Basin

- Completed 10 well re-entry fracs in the first quarter of 2012 in the deeper, undeveloped tight gas sands in the Mezardere formation (Mezardere shale and Teslimkoy sand units) on the lands acquired from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**") (Valeura 40%). In total, 18 well re-entry fracs have been completed since July 2011. The aggregate initial 30-day on-stream production rate for 14 of the frac'd wells with at least 30 days of history was 12.8 MMcf/d (gross).
- The frac results for selective wells completed in the thicker, more prospective Teslimkoy sand unit are summarized in Table 1 below. Results for all frac'd wells are disclosed in the May 2012 Corporate Presentation on the Corporation's website.

Table 1 Frac Results for Selected Wells Completed in the Teslimkoy Sand Unit (1)

PARAMETER	RANGE	AVERAGE
Frac Size - k# sand	6 - 77	35
Net Pay - m	4 - 13	7.8
Porosity - %	12 - 18	15.2
Initial 30-Day Rate – MMcf/d (2)	0.1 – 3.2	1.5
Cumulative Production Per Well to May 5, 2012 - MMcf	4 - 368	126

Notes:

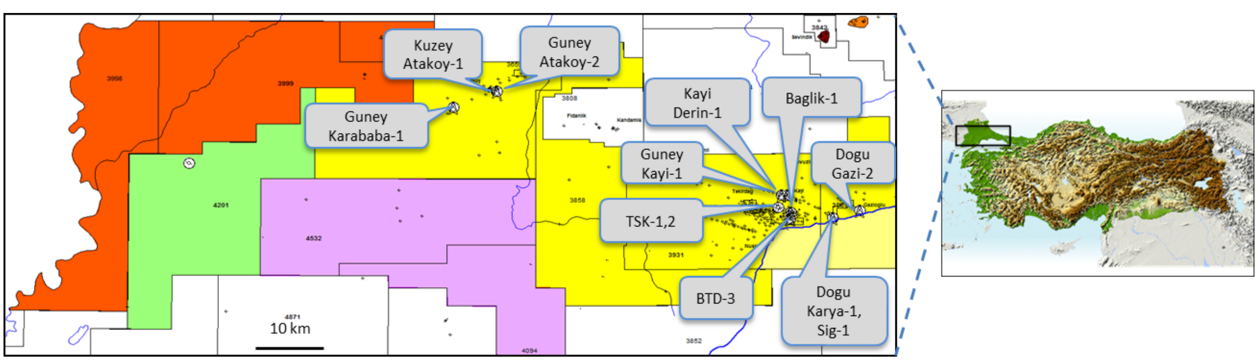
(1) Results for six wells frac'd into the thicker, more prospective Teslimkoy sand unit, excluding wells frac'd into water zones (five), those frac'd in the Mezardere shale unit (six) and one well that did not flow back after the frac.
(2) These rates are not necessarily indicative of long term performance.

- Rig-released two wells on the TBNG-PTI lands in the first quarter of 2012 that were spudded in late December 2011. The Sulemaniye-2 well in Licence 3734 was drilled and cased to a depth of 2,450 metres as a potential gas well. A two-stage frac was carried out on the well on May 9, 2012 and results are expected shortly. The Guney Osmanli-2 shallow gas well in Licence 3931 was drilled to a depth of 1,250 metres and abandoned after encountering wet sands.

- Spudded the Baglik-1 deep well on March 10, 2012 in Licence 3931. The well was drilled and cased to a depth of 3,594 metres and was rig released on May 6, 2012. It is the deepest well drilled to date on TBNG-PTI lands. Four full diameter cores and more than 90 sidewall cores were cut in the well to support a number of special core analysis studies underway in Calgary. As reported by the operator, more than 130 metres of net pay have been identified in the shallow sections of the well and evaluation is underway on the deeper section where porosity is lower but with evidence of fracturing. A completion, testing and frac program is currently being designed for the well to confirm producibility.
- Completed eight recompletion workovers in shallow gas wells on the TBNG-PTI lands in the first quarter of 2012. The aggregate peak production rate from these recompletions was approximately 2.5 MMcf/d (gross).
- Spudded seven wells since April 1 on the TBNG-PTI lands, of which five have been rig-released and cased to depths from 400 metres to 2,022 metres as potential multi-zone gas wells. The completed and planned drilling program on the TBNG-PTI lands in the first half of 2012 is shown in Table 2 below.

Table 2 Planned Drilling in 1st Half 2012 on TBNG-PTI Lands in the Thrace Basin of Turkey

WELL	LICENCE	SPUD (d/m/y)	RIG RELEASE (d/m/y)	WELL TYPE	TD (m)	STATUS
Baglik-1	3931	10/03/2012	06/05/2012	Exploration	3,594	Cased
Dogu Karya-1	3934	04/04/2012	23/04/2012	Exploration	2,022	Cased
TSK-1	3931	05/04/2012	10/04/2012	Exploration	657	Cased
Guney Atakoy-2	3734	18/04/2012	03/05/2012	Development	1,750	Cased
Dogu Karya Sig-1	3934	01/05/2012	05/05/2012	Development	400	Cased
Guney Kayi-1	3931	03/05/2012	13/05/2012	Development	1,496	Cased
Kuzey Atakoy-2	3734	12/05/2012	-	Development	1,700	Drilling
BTD-3	3931	12/05/2012	-	Exploration	2,500	Drilling
Kayi Derin-1	3931	-	-	Exploration	4,000	Location
Guney Karababa-1	3734	-	-	Exploration	950	Location
TSK-2	3931	-	-	Exploration	650	Location
Dogu Gazi-2	3934	-	-	Exploration	1,500	Location



- Completed two drill stem tests on the Everenbey-1 exploration well (Valeura 50%) in Licence 4094 on the TransAtlantic farm-in lands, which confirmed gas in very low permeability reservoirs in the zones of interest. It is expected that the well will be frac'd in late 2012 or early 2013 depending on availability of the frac spread currently deployed on the TBNG-PTI lands.
- Drilled and cased the Dagdere-1 exploration well (Valeura 100%) in February 2012 to a depth of 2,256 metres as a potential gas well in Licence 4201 on the Marhat farm-in lands. Completion and potential fracing of this well will also likely be deferred to late 2012 or early 2013.

Anatolian Basin

- Completed the deepening of the Altinakar-1 well (Valeura 27.5%) in early March 2012 to a depth of 2,418 metres in the Bedinan Formation in Licence 2674 in the Karakilise area of southeast Turkey. The well is currently producing 10 to 13 bopd (gross) of light oil at a water cut of 50 to 60%. The well was perforated and acid stimulated but may warrant a hydraulic fracture, which is under review. The overlying Dadas Shale and shallower Mardin Group also appear to be prospective based on log analysis and may be tested following testing of the Bedinan. Additional Mardin pay appears to be present below the original Mardin completion.

FINANCIAL HIGHLIGHTS

- Funds flow from operations in the first quarter of 2012 was $2,938,919 compared to $4,084,943 in the fourth quarter of 2011 reflecting a 15% reduction in sales volumes and employee bonus payments, partially offset by an 8% increase in average operating netback. Funds flow was up significantly from negative ($1,924,325) in the first quarter of 2011 due to the acquisition of additional Turkish production.
- Capital expenditures in the first quarter of 2012 were $8,687,937 compared to $5,116,243 in the fourth quarter of 2011 and $4,197,962 in the first quarter of 2011 reflecting the ramp-up of operations in the Thrace Basin.
- Average operating netback was $33.17 per BOE in the first quarter of 2012, up 8% from $30.74 per BOE in the fourth quarter of 2011 due primarily to renegotiated natural gas sales contracts on the TBNG-PTI lands effective January 1, 2012 incorporating smaller discounts to Turkish reference prices, and some strengthening of the Turkish Lira. The low operating netback of $9.48 per BOE in the first quarter of 2011 reflects gas-weighted production in Canada and minor Turkish volumes.
- At March 31, 2012, the Corporation had a working capital surplus of approximately $24.1 million, including cash and cash equivalents of $22.3 million. This compares to a working capital surplus of $29.4 million, including cash and cash equivalents of $24.1 million at December 31, 2011.

Table 3 Financial Results Summary

	Three Months Ended March 31, 2012	**Three Months Ended December 31, 2011**	**Three Months Ended March 31, 2011**
FINANCIAL (CDN$ except share and per share amounts)			
Petroleum and natural gas revenues (net)	6,810,184	7,619,255	562,132
Funds flow from operations (1)	2,938,919	4,084,943	(1,924,325)
Net loss	(2,340,140)	(3,406,130)	(4,262,009)
Capital expenditures	8,687,937	5,116,243	4,197,962
Net working capital surplus	24,068,647	29,419,475	10,300,713
Cash and cash equivalents	22,299,882	24,106,718	9,737,280
Common shares outstanding			
Basic	46,406,135	46,406,135	19,867,713
Diluted	65,731,102	64,787,963	23,746,963
Share trading			
High	2.89	1.94	5.70
Low	1.54	1.20	3.40
Close	1.97	1.54	4.50
OPERATIONS			
Production			
Crude oil & NGLs (bbl/d)	59	56	54
Natural Gas (Mcf/d)	9,074	10,801	611
BOE/d (@ 6:1) (2)	1,572	1,856	156
Average reference price			
Edmonton light ($ per bbl)	92.18	97.35	87.15
BOTAS Reference ($ per Mcf) (3)	8.47	8.47	8.26
Average realized price			
Crude oil ($ per bbl)	88.04	82.64	69.98
Natural gas - Turkey ($ per Mcf)	7.77	7.33	6.98
Natural gas - consolidated ($ per Mcf)	7.67	7.25	4.35
Average Operating Netback ($ per BOE @ 6:1) (1) (2)	33.17	30.74	9.48

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 necessarily represent a value equivalency at the well head.
(3) Boru Hatlari ile Petrol Tasima Anonim Sirketi ("**BOTAS**") owns and operates the national crude oil and natural gas pipeline grids in Turkey. BOTAS regularly posts prices and its Industrial Interruptible Tariff benchmark is shown herein as a reference price. See the 2011 Annual Information Form for further discussion.

OUTLOOK

The Corporation continues to focus on three key objectives in Turkey:

- Proving-up the potential of the tight gas play in the Thrace Basin;
- Sustaining the shallow gas business in the Thrace Basin; and
- 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 reassessed expected capital expenditures in 2012 and has increased the outlook by approximately 15% to $35 to 40 million, almost all of which is directed to Turkey. This increase from prior guidance of $30 to 35 million reflects higher drilling and completion costs due to a greater proportion of deeper wells below 1,500 metres partially offset by a lower total number of wells due to the deferral of the first quarter drilling. Cash and equivalents on hand and targeted cash flow of $15 to 20 million in 2012 should be sufficient to fully fund this expected range of 2012 capital expenditures.

Thrace Basin

Unlocking the potential in the deeper tight gas play in the Thrace Basin remains a top priority for the Corporation. The Corporation is now targeting to complete approximately 25 well re-entry fracs on the TBNG-PTI lands in 2012, including 10 completed to date. The Corporation is also targeting to drill up to 14 deep wells in 2012 at depths ranging from 1,500 metres to 4,000 metres in the Mezardere and Teslimkoy units, including two drilled to date, and for planning purposes, stimulate each of these with single or multi-stage fracs.

With respect to the shallow gas business on the TBNG-PTI lands, the revised 2012 budget outlook includes up to 32 well recompletions, including nine completed to date. Shallow gas drilling activities have resumed in the second quarter with the benefit of 413 km^2 of new 3D seismic acquired in 2011. The Corporation is budgeting 14 shallow gas wells in 2012, including three drilled to date. Acquisition of an additional 260 km^2 of 3D seismic and 50 km of 2D seismic is also planned for 2012 to expand the prospect and lead inventory in both shallow and deep formations.

On the new farm-in lands in the Thrace Basin (Marhat, TransAtlantic and GYP), the Corporation plans to drill at least two wells in 2012, including one completed to date, and to acquire additional 2D seismic. Firm drilling and seismic plans are under review with partners.

Anatolian Basin

In the Anatolian Basin in southeast Turkey, the Corporation expects to drill or sidetrack one exploration well in the Gaziantep licences in 2012, and to acquire new 2D seismic and frac the Altinakar-1 well in the Karakilise licences. Firm drilling and seismic plans are under review with partners.

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: expected natural gas wellhead prices in the second quarter of 2012; expected cash flow in 2012; and, anticipated work programs, budgets and operational plans, including seismic, drilling, workovers, fracs and completions and the timing associated with each of the foregoing. Forward-looking information typically contains statements with words such as "anticipate", "estimate", "expect", "target", "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 operating and 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 and fracing activity; future production rates and associated cash flow; future capital and other expenditures (including the amount, nature and sources of funding thereof); future economic conditions; future currency and exchange rates; and the Corporation's continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner. In addition, budgets are based upon the Corporation's current work programs proposed by partners and associated exploration plans and anticipated costs, which are subject to change based on, among other things, the actual results of drilling and related 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 and BOTAS pricing 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; 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 Valeura's Annual Information 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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