Press Release – August 14, 2012

VALEURA ANNOUNCES SECOND QUARTER 2012 FINANCIAL AND OPERATING RESULTS - FUNDS FLOW FROM OPERATIONS UP 15% FROM FIRST QUARTER

Valeura Energy Inc. ("**Valeura**" or the "**Corporation**") (TSX: VLE) is pleased to report highlights of its unaudited financial and operating results for the three and six month periods ended June 30, 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.

"Funds flow from operations of $3.4 million in the second quarter was up 15% from the first quarter of 2012 due primarily to a 20% increase in corporate average operating netback to $39.72 per BOE, lower G&A costs and higher realized foreign exchange gains", said Jim McFarland, President and Chief Executive Officer. "Natural gas price realizations in Turkey were up 20% from the first quarter to $9.34 per Mcf, which more than offset the impact of a 15% decline in corporate volumes in the second quarter."

"A record 14 gross wells were spudded in the Thrace Basin of Turkey in the second quarter, of which three wells are currently on production and 10 others are cased as potential gas wells. We are currently focussed on clearing the backlog of completions and fracs on these new drill wells and implementing new production optimization procedures to lift produced water, which is limiting gas flow from a number of existing shallow gas wells and newly frac'd wells."

"We remain encouraged by the tight gas "proof-of-concept" drilling and frac program in the Thrace Basin, and are particularly pleased with the early test results from the deepest frac completed to date at a depth of 2,475 metres in the BTD-3 well, which was frac'd on August 2 and tested more than 1.0 MMcf/d of gas while still recovering frac fluids."

OPERATIONAL HIGHLIGHTS

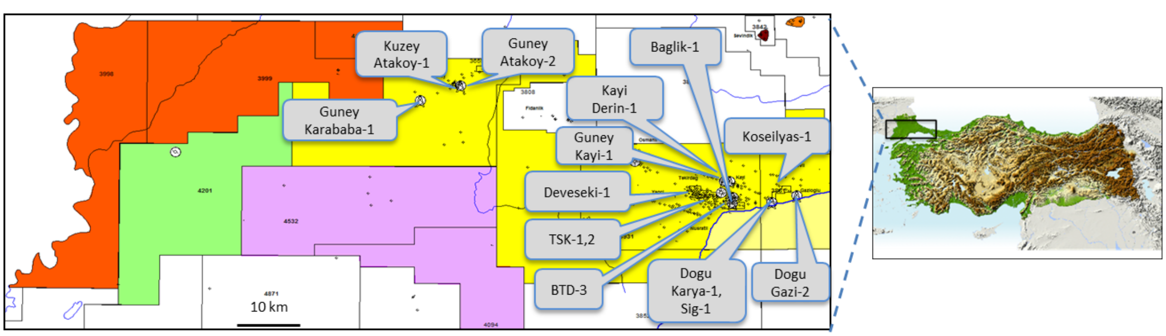
- Corporate petroleum and natural gas sales in the second quarter of 2012 averaged 1,340 barrels of oil equivalent per day ("**BOE/d**") (net), down 15% from the first quarter of 2012 due to natural declines, liquid loading in a number of wells, and delays in completing, evaluating and fracing new proof-of-concept deep wells in the Thrace Basin. Sales volumes in the second quarter of 2012 were up by 94% from the second quarter of 2011 due to the acquisition of additional Turkish production.
- Turkish net production in the second quarter of 2012 averaged 1,273 BOE/d, including 7.5 million cubic feet per day ("**MMcf/d**") of natural gas at an average wellhead price of $9.34 per Mcf and 28 barrels of oil per day ("**bopd**"). Canadian production was 67 BOE/d.

Thrace Basin

- Spudded a record 14 wells (gross) in the second quarter of 2012 in the Thrace Basin targeting natural gas, including 13 wells on the lands acquired from Thrace Basin Natural Gas (Turkiye) Corporation ("**TBNG**") and Pinnacle Turkey Inc. ("**PTI**") (Valeura 40%) and one well on the Edirne licence 3839 (Valeura 35%). On a year-to-date basis, 15 wells were spudded including 14 wells on the TBNG-PTI lands.
- The drilling program on the TBNG-PTI lands in the first half of 2012 is shown in Table 1 below.

Table 1 First Half 2012 Drilling on TBNG-PTI Lands – Status at June 30, 2012

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	**Completing**
Dogu Karya-1	3934	04/04/2012	23/04/2012	Exploration	2,022	**Completing**
TSK-1	3931	05/04/2012	10/04/2012	Exploration	657	**On production**
Guney Atakoy-2	3734	18/04/2012	03/05/2012	Development	1,750	**On production**
Dogu Karya Sig-1	3934	01/05/2012	05/05/2012	Development	400	**Completing**
Guney Kayi-1	3931	03/05/2012	13/05/2012	Development	1,496	**Completing**
Kuzey Atakoy-2	3734	12/05/2012	30/05/2012	Development	1,820	**On production**
BTD-3	3931	12/05/2012	03/06/2012	Exploration	2,512	**Cased & Standing**
Kayi Derin-1	3931	21/05/2012	-	Exploration	3,755	**Drilling**
Koseilyas-1	3934	05/06/2012	15/06/2012	Exploration	1,506	**Cased & Standing**
Dogu Gazi-2	3934	10/06/2012	27/06/2012	Exploration	1,800	**Drilled & Abandoned**
Guney Karababa-1	3734	18/06/2012	28/06/2012	Exploration	950	**Cased & Standing**
Deveseki-1	3931	20/06/2012	25/06/2012	Exploration	754	**Cased & Standing**
TSK-2	3931	29/06/2012	-	Exploration	1,400	**Drilling**



- Wells spudded in the first half of 2012 on the TBNG-PTI lands included seven conventional gas wells targeting the Danismen and Osmancik shallow gas formations and seven unconventional wells targeting tighter sandstone reservoirs in Mezardere, Teslimkoy and Kesan formations. Three of these wells (all conventional) were on production at the end of the quarter, one conventional well was drilled and abandoned after encountering water-bearing sands, eight conventional and unconventional wells were cased and in various stages of evaluation, completion and fracing, and two unconventional wells were drilling. These latter two wells were cased as potential gas wells in July.

- The aggregate initial seven-day production rate from the three new conventional producing wells on the TBNG-PTI lands was approximately 4.9 MMcf/d (gross).

- Completed fracs on three new drill wells and two existing wells on the TBNG-PTI lands in the second quarter of 2012, increasing the total number of frac'd wells to 15 in the first half of 2012. In July and August to date, an additional four wells have been frac'd including the deepest frac at the BTD-3 well. Since the proof-of-concept frac program was initiated in July 2011, 27 wells have been frac'd, which has provided critical information in assessing the tight gas potential in the Thrace Basin and contributed 1.2 Bcf to sales gas volumes.

- Completed six recompletion workovers in conventional shallow gas wells on the TBNG-PTI lands in the second quarter. The aggregate initial seven-day production rate from these recompletions was approximately 3.7 MMcf/d (gross). On a year-to-date basis, 14 workovers have been completed.

- Initiated a two-phase completion and evaluation program in July on the Baglik-1 deep well, which was drilled and cased to a depth of 3,594 metres in the second quarter. As reported by the operator, more than 130 metres of net pay was identified in the shallower Teslimkoy and Kesan formations above 1,800 metres. However, a number of naturally fractured intervals were identified on a formation micro-imager "FMI" log in the deeper part of the Kesan formation below 2,500 metres where matrix porosity is lower. In the first phase of the completion program, four of these naturally fractured intervals were perforated to test for the presence of producible gas. One of these intervals at a depth of approximately 2,450 metres was subsequently identified as a potential candidate for a frac treatment, dependent on the results of a frac recently completed in a similar interval in the new BTD-3 well located 1.0 km to the south. The planned second phase of the Baglik-1 completion is expected to involve a multi-stage frac in sands above 1,800 metres.

- Completed the first "slick water" frac on August 2 in the BTD-3 well in the Kesan formation at a depth of approximately 2,475 metres, designed to enhance the natural fracture system in this interval. This is the deepest frac completed to date on the TBNG-PTI lands. The well tested at a rate in excess of 1.0 MMcf/d while still recovering frac fluids.

- Drilled and cased the Bati Arpaci-1 well in the Edirne licence in the second quarter, which was placed on production in July. The initial seven-day rate on the well was approximately 1.8 MMcf/d (gross).

Anatolian Basin

- Completed a 414 metre horizontal sidetrack in July in the Alibey-1 well on Licence 4607 (Valeura 26%) in the Gaziantep area aimed at improving productivity from a Mardin Group heavy oil discovery in the original well. Approximately 80 metres of horizontal porous section has been identified on logs with extensive natural fracturing throughout the horizontal section. The sidetrack, which is at a true vertical depth of approximately 1,868 metres, has been cased with a 4.5 inch liner and a completion program is being developed. This is one of the few horizontal wells drilled in Turkey and is expected to have important implications for exploiting reserves in the Anatolian Basin.

- As announced on June 18, Valeura was awarded two new exploration licences in southeast Turkey at Bostanci and Karakilise. Each licence requires the drilling of one well within the first year under new licencing requirements.

- The Bostanci Licence 4985 at the juncture of the Syrian and northern Iraq borders covers an area of 123,051 gross acres and is subject to a pre-bidding arrangement whereby Exile Resources Inc. ("**Exile**") has a right to a 50% participating interest in the licence. Exile was recently acquired by Oando Energy Resources Inc. under a reverse takeover arrangement and now trades on the TSX. The licence is prospective for oil in the Cretaceous Mardin Group (3,300 metres) as well as the deeper Jurassic and Triassic sections.

- The Karakilise Licence 5052 covers an area of 122,965 acres and is held on a 100% basis. The licence is contiguous with Licences 2674 and 2677 in which Valeura holds a 27.5% interest (operated by GYP). The licence is prospective for oil in the Mardin Group, Dadas Shale and Bedinan Formations but will require additional seismic to define a drillable prospect.

FINANCIAL HIGHLIGHTS

- Funds flow from operations of $3,373,244 in the second quarter of 2012 was up 15% from $2,938,919 in the first quarter of 2012 reflecting a 20% increase in corporate average operating netback, lower G&A expense and higher realized foreign exchange gains, partially offset by a 15% decline in production volumes. Funds flow was up significantly from negative ($1,622,240) in the second quarter of 2011 due to the acquisition of additional Turkish production. (*See notes in Table 2 below*).

- Capital expenditures in the second quarter of 2012 were $10,693,264 compared to $8,687,937 in the first quarter of 2012 reflecting the ramp-up of operations in the Thrace Basin. Capital expenditures of $55,650,606 in the second quarter of 2011 reflected the TBNG-PTI acquisition.
- The corporate average operating netback was $39.72 per BOE in the second quarter of 2012, up 20% from $33.17 per BOE in the first quarter of 2012 due primarily to a 20% increase in natural gas price realizations in Turkey. This compares to an average operating netback of $24.82 per BOE in the second quarter of 2011 reflecting a nominal contribution from newly acquired Turkish volumes in June 2011.
- At June 30, 2012, the Corporation had a working capital surplus of approximately $16.9 million, including cash and cash equivalents of $18.3 million. This compares to a working capital surplus of $24.1 million, including cash and cash equivalents of $22.3 million at March 31, 2012. The working capital surplus of $37.1 million at June 30, 2011, including cash and cash equivalents of $32.5 million, reflects proceeds from the last corporate financing which closed in February 2011.

Table 2 Financial Results Summary

	Three Months Ended June 30, 2012	**Three Months Ended March 31, 2012**	**Six Months Ended June 30, 2012**	**Three Months Ended June 30, 2011**	**Six Months Ended June 30, 2011**
Financial (CDN$ except share and per share amounts)					
Petroleum and natural gas revenues (net)	6,863,658	6,810,184	13,673,842	2,707,193	3,269,325
Funds flow from operations (1)	3,373,244	2,938,919	6,312,163	(1,622,240)	(3,546,565)
Net loss	(751,793)	(2,340,140)	(3,091,933)	(4,359,006)	(8,621,015)
Capital expenditures	10,693,264	8,687,937	19,381,201	55,650,606	59,848,568
Net working capital surplus	16,853,064	24,068,647	16,853,064	37,101,075	37,101,075
Cash and cash equivalents	18,338,379	22,299,882	18,338,379	32,504,845	32,504,845
Common shares outstanding					
Basic	46,406,135	46,406,135	46,406,135	46,406,135	46,406,135
Diluted	65,731,102	65,731,102	65,731,102	64,585,964	64,585,964
Share trading					
High	2.11	2.89	2.89	4.80	5.70
Low	1.18	1.54	1.18	2.50	2.50
Close	1.48	1.97	1.48	2.50	2.50
Operations					
Production					
Crude oil & NGLs (bbl/d)	73	59	66	57	55
Natural Gas (Mcf/d)	7,605	9,074	8,340	3,810	2,219
BOE/d (@ 6:1) (2)	1,340	1,571	1,456	692	425
Average reference price					
Edmonton light ($ per bbl)	83.92	92.18	88.05	103.07	95.11
BOTAS Reference ($ per Mcf) (3)	10.23	8.47	9.36	8.18	8.22
Average realized price					
Crude oil ($ per bbl)	75.19	88.04	81.03	82.20	76.35
Natural gas - Turkey ($ per Mcf)	9.34	7.77	8.48	7.05	7.05
Natural gas - consolidated ($ per Mcf)	9.20	7.67	8.37	6.68	6.36
Average Operating Netback ($ per BOE @ 6:1) (1) (2)	39.72	33.17	36.18	24.82	22.03

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;
- Continuing to optimize 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 reduced its outlook for capital expenditures in 2012 by approximately $5 million to a range of $30 to $35 million. This reflects some reduction in shallow gas drilling and deferral of additional 3D seismic and some deeper drilling on the TBNG lands to 2013 and a renewed focus on optimizing production operations to deal with water production, clearing the backlog of completions and fracs and taking stock of the "proof-of-concept" results to date to guide the go-forward program. Cash and equivalents on hand and targeted cash flow 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 up to 18 well re-entry fracs (gross) on the TBNG-PTI lands in 2012, including 12 completed to the end of June 2012. The Company is also targeting to drill 11 to 14 deep unconventional wells (gross) in 2012 at depths ranging from 1,500 metres to 3,755 metres in the Mezardere, Teslimkoy and Kesan units, including seven drilled to date, and for planning purposes, stimulating each of these with at least a single stage frac.

With respect to the shallow gas business on the TBNG-PTI lands, the revised 2012 budget outlook includes up to 32 recompletion workovers (gross), including 14 completed to date. The Company is budgeting to drill 8 to 12 conventional shallow gas wells (gross) in 2012, including seven drilled to date.

The planned acquisition of an additional 260 km^2 of 3D seismic and 50 km of 2D seismic on the TBNG-PTI lands has been deferred to 2013. This program is designed to expand the prospect and lead inventory in both shallow and deep formations in the Osmanli area.

On the new farm-in lands in the Thrace Basin (Marhat, TransAtlantic and GYP), the Company plans to drill two wells (gross) in 2012, including the Dagdere-1 well which was drilled and cased as a potential gas well in February 2012, and to acquire approximately 185 km of 2D seismic.

Anatolian Basin

In the Anatolian Basin, the Corporation has completed the planned drilling program for 2012 which included the deepening of the Altinakar-1 well in the Karakilise area and the horizontal sidetrack in the Alibey-1 well in the Gaziantep area. In the second half of 2012, the Corporation is planning to acquire 90 to 120 km of new 2D seismic in the Karkilise area and to potentially frac the Altinakar-1 well.

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.

ADVISORY AND CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains certain forward-looking statements including, but not limited to: expected cash flow and capital expenditures in 2012 and the sufficiency of existing cash and targeted cash flow to fully fund expected 2012 capital expenditures; 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", "should", "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 and nature thereof); future sources of funding; 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. The transfer of a working interest in the Bostanci Licence 4985 to Exile will be subject to GDPA approval. 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; uncertainty regarding the state of capital markets and the availability of future financings; 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 Form 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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